

Financial Results for the Year Ended March 2021

(April 1,2020 to March 31,2021)

PROTO CORPORATION (4298)
May 13, 2021
(Investor Meeting May 24, 2021)



INDEX

FY2021 Q4

Jan2021 - Mar2021

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Overview of Results

Highlights

Both sales and profit increased due to maximizing the number of trading companies and promoting the development and provision of DX products in the COVID-19 environment

Business Results

- Net sales: 60,097 million yen YoY +1.6%
- Operating income: 5,941 million yen YoY +15.7%

Ad-related

- Net sales: 21,806 million yen YoY +1.5%
- Promote the active development and introduction of DX products in the used car field

Information and Service

- Net sales: 5,292 million yen YoY (4.8%)
- Promote the active development and introduction of DX products in the new car field

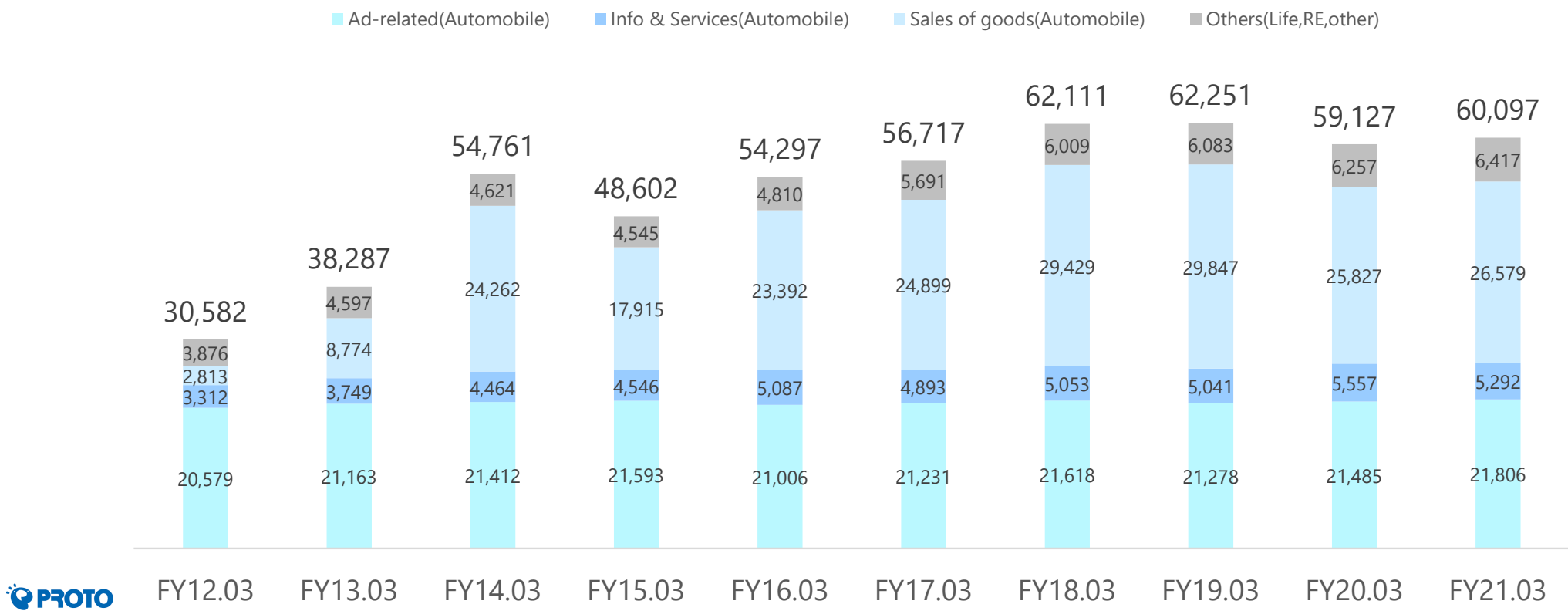
Sales of goods

- Net sales: 26,579 million yen YoY +2.9%
- Tire sales remained steady, partly due to snowfall.
In the used car export business, we are promoting a change in business model by strengthening alliances.

FY March 2021: Operating Results

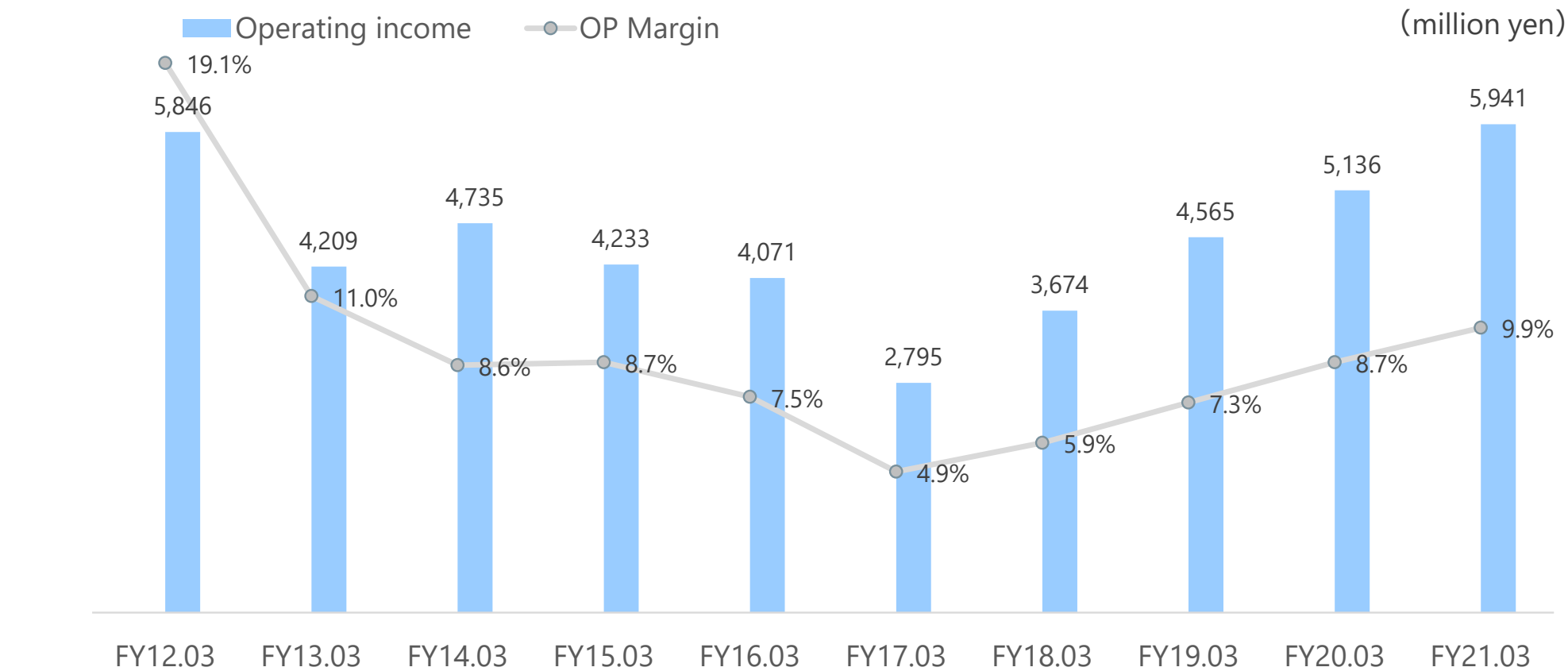
Consolidated sales: 60,097 million yen (YoY: +1.6%) due to strong sales of used cars (MOTOR GATE, MG Calendar), new cars (DataLine SalesGuide, AI Chatbot), and tires due to snowfall

(million yen)



FY March 2021: Operating Results

Consolidated operating income: 5,941 million yen (YoY:+15.7%), up for the fourth consecutive year, due to an increase in gross profit despite SG&A expenses remaining at the same level as the previous year



FY March 2021: Operating Results

Gross profit increased due to an increase in sales of highly profitable products

[unit: million yen]	FY March 2020		FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Net Sales	59,127	100.0%	60,097	100.0%	970	+1.6%
Gross Profit	24,406	41.3%	25,191	41.9%	784	+3.2%
EBITDA	6,455	10.9%	7,262	12.1%	806	+12.5%
Operating Income	5,136	8.7%	5,941	9.9%	804	+15.7%
Ordinary Income	5,354	9.1%	6,118	10.2%	764	+14.3%
Net Income	4,991	8.4%	4,853	8.1%	(137)	(2.8%)

[unit: million yen]	FY March 2020		FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	19,270	32.6%	19,250	32.0%	(19)	(0.1%)
Employment Cost	7,721	13.1%	7,525	12.5%	(196)	(2.5%)
Advertising Cost	4,602	7.8%	5,071	8.4%	468	+10.2%
Other Expenses	6,945	11.7%	6,653	11.1%	(292)	(4.2%)

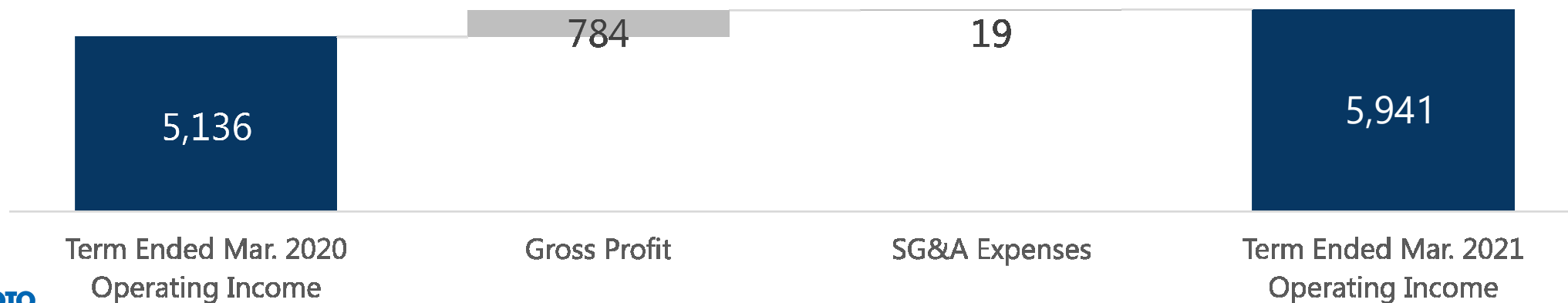
Overview of FY March 2021

By company, PROTO CORPORATION and AUTOWAY led the increase in profit.

Operating Income Breakdown

(Million yen)

Gross Profit Breakdown		+784	SG&A Breakdown		+19	Operating Income Breakdown		+804
PROTO CORPORATION		+ 854	PROTO CORPORATION		(221)	PROTO CORPORATION		+ 633
PROTO-RIOS		(265)	PROTO-RIOS		(4)	PROTO-RIOS		(269)
AUTOWAY		+293	AUTOWAY		(179)	AUTOWAY		+114
TIRE WORLD KAN BEST		+52	TIRE WORLD KAN BEST		(52)	TIRE WORLD KAN BEST		+0
GOONET EXCHANGE		+6	GOONET EXCHANGE		+11	GOONET EXCHANGE		+18



Quarterly Results Highlights

Both sales and profit increased due to the promotion of DX in each area under COVID-19 environment and steady growth in used and new car field and tire sales

Business Results

- Net sales: 15,325 million yen YoY +8.3%
- Operating income: 1,014 million yen YoY +27.6%

Ad-related

- Net sales: 5,794 million yen YoY +4.0%
- Sales of MOTOR GATE and MG CALENDAR were strong, and online business appointments increased. Regarding Goo-net Pit, expansion of the number of factories with fee-based contracts

Information and Service

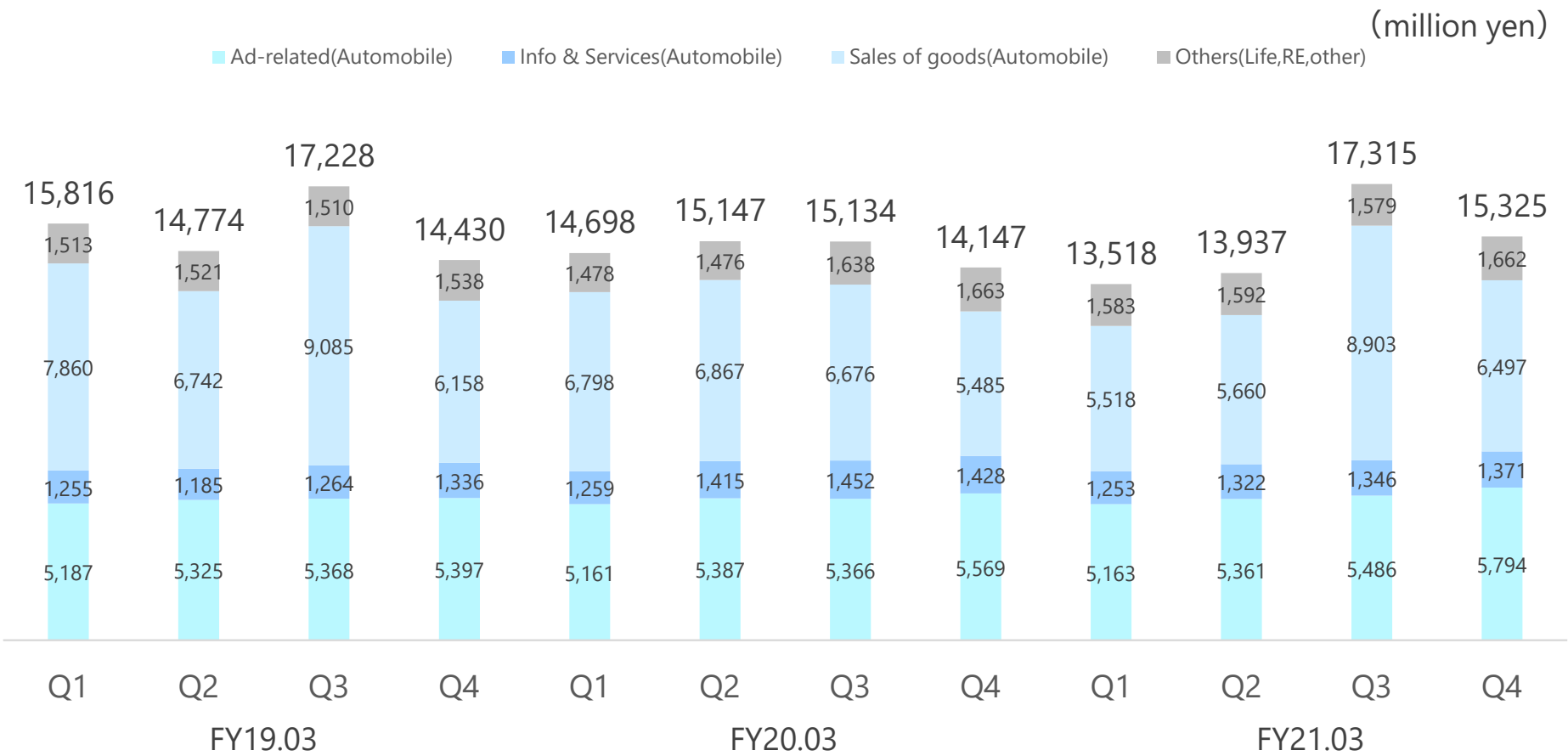
- Net sales: 1,371 million yen YoY (4.0%)
- PROTO-RIOS: (144) million yen due to the absence of special demand in the previous fiscal year
Steady growth in new car business, progress in introduction of AI chatbot and AI Assessment, and increase in unit price per customer

Sales of goods

- Net sales: 6,497 million yen YoY +18.4%
- Tire sales remained steady. Sales of used car exports increased due to strengthened alliances, etc.

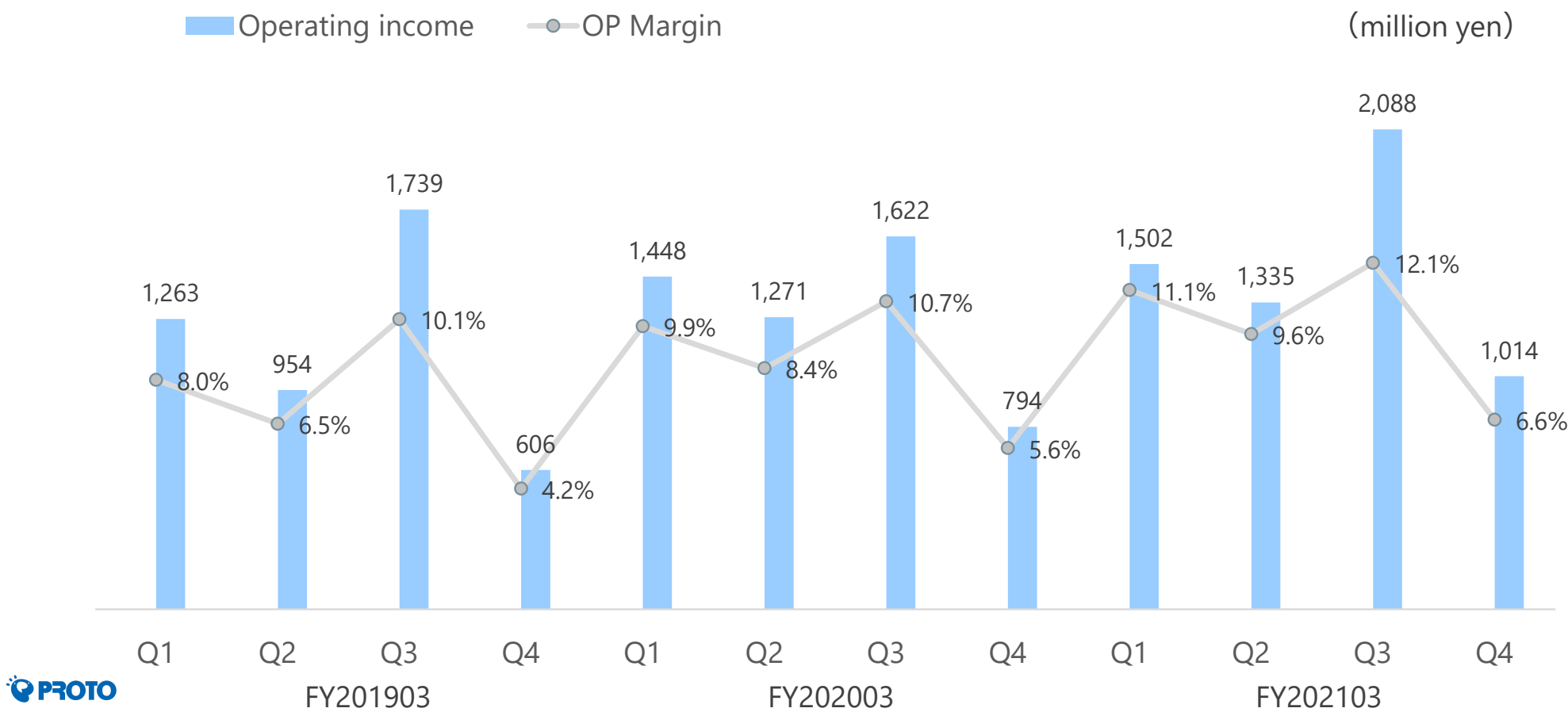
Quarterly Results

Consolidated sales: 15,325 million yen (YoY: +8.3%) due to strong sales of used cars (MOTOR GATE, MG Calendar) and tires



Quarterly Results

Consolidated operating income: 1,014 million yen (YoY: +27.6%) due to an increase in gross profit despite an increase in SG&A expenses.

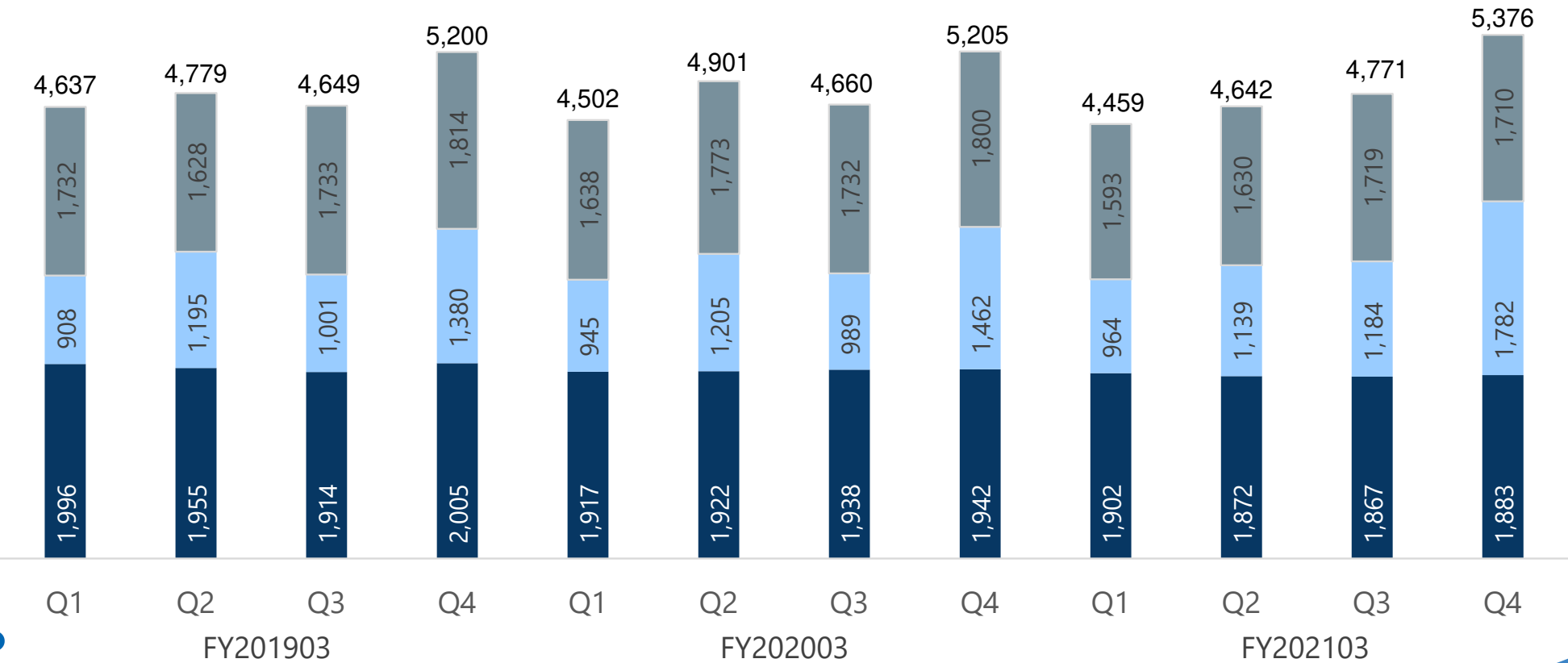


Quarterly Results

SG&A Expenses: 5,376 million yen (YoY: +3.3%) due to increased advertising expenses to raise awareness of Goo-net.

■ Employment Cost ■ Advertising Cost ■ Other Expenses

(million yen)



Quarterly Results

[unit: million yen]	Q4/FY2020 Jan-Mar 2020		Q4/FY2021 Jan-Mar 2021		YoY		Q3/FY2021 Oct-Dec 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Results(c)	Sales ratio	(b)-(c)	%
Net Sales	14,147	100.0%	15,325	100.0%	1,178	+8.3%	17,315	100.0%	(1,990)	(11.5%)
Gross Profit	6,000	42.4%	6,391	41.7%	390	+6.5%	6,859	39.6%	(468)	(6.8%)
EBITDA	1,130	8.0%	1,347	8.8%	216	+19.1%	2,418	14.0%	(1,070)	(44.3%)
Operating Income	794	5.6%	1,014	6.6%	219	+27.6%	2,088	12.1%	(1,074)	(51.4%)
Ordinary Income	769	5.4%	1,245	8.1%	475	+61.8%	2,045	11.8%	(800)	(39.1%)
Net Income	421	3.0%	1,624	10.6%	1,202	+284.9%	1,437	8.3%	186	+13.0%

[unit: million yen]	Q4/FY2020 Jan-Mar 2020		Q4/FY2021 Jan-Mar 2021		YoY		Q3/FY2021 Oct-Dec 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Results(c)	Sales ratio	(b)-(c)	%
SG&A Expenses	5,205	36.8%	5,376	35.1%	170	+3.3%	4,771	27.6%	605	+12.7%
Employment Cost	1,942	13.7%	1,883	12.3%	(59)	(3.1%)	1,867	10.8%	15	+0.8%
Advertising Cost	1,462	10.3%	1,782	11.6%	320	+21.9%	1,184	6.8%	598	+50.5%
Other Expenses	1,800	12.7%	1,710	11.2%	(90)	(5.0%)	1,719	9.9%	(8)	(0.5%)

Quarterly Results by Segment

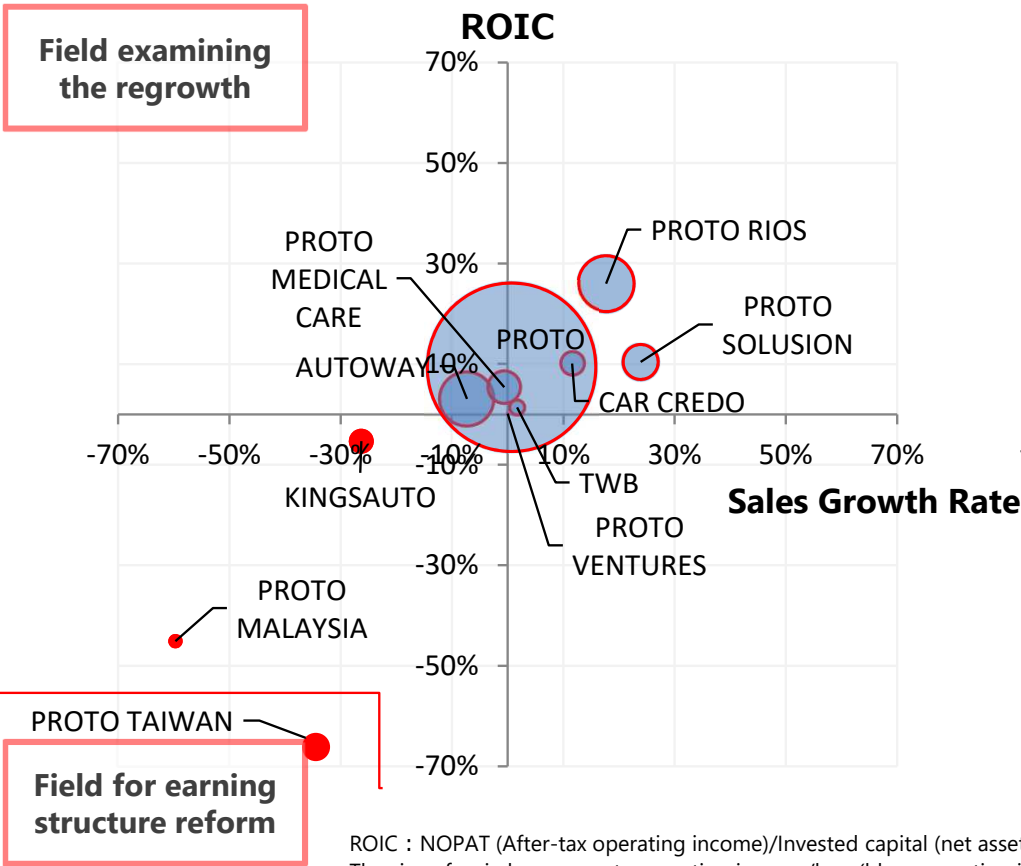
Net Sales [unit: million yen]	Q4/FY2020 Jan-Mar 2020		Q4/FY2021 Jan-Mar 2021		YoY		Q3/FY2021 Oct-Dec 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Results(c)	Sales ratio	(b)-(c)	%
Automobile-related	12,483	88.2%	13,663	89.2%	1,179	+9.4%	15,736	90.9%	(2,073)	(13.2%)
Ad-related	5,569	39.4%	5,794	37.8%	224	+4.0%	5,486	31.7%	307	+5.6%
Information and services	1,428	10.1%	1,371	9.0%	(57)	(4.0%)	1,346	7.8%	25	+1.9%
Sales of goods	5,485	38.8%	6,497	42.4%	1,011	+18.4%	8,903	51.4%	(2,406)	(27.0%)
Lifestyle-related	1,044	7.4%	1,001	6.5%	(43)	(4.1%)	954	5.5%	46	+4.9%
Real Estate	35	0.3%	40	0.3%	4	+12.3%	40	0.2%	(0)	(1.5%)
Other Business	583	4.1%	620	4.1%	37	+6.4%	584	3.4%	36	+6.3%
Total	14,147	100.0%	15,325	100.0%	1,178	+8.3%	17,315	100.0%	(1,990)	(11.5%)

Operating Income [unit: million yen]	Q4/FY2020 Jan-Mar 2020		Q4/FY2021 Jan-Mar 2021		YoY		Q3/FY2021 Oct-Dec 2020		QoQ	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%	Results(c)	Profit Margin	(b)-(c)	%
Automobile-related	1,164	9.3%	1,304	9.5%	139	+12.0%	2,340	14.9%	(1,035)	(44.3%)
Lifestyle-related	42	4.1%	51	5.1%	8	+21.1%	60	6.4%	(9)	(15.6%)
Real Estate	9	27.1%	37	94.1%	28	+290.7%	38	93.2%	(0)	(0.5%)
Other Business	(1)	-	19	3.2%	20	-	50	8.7%	(31)	(61.1%)
Management Division	(420)	-	(399)	-	21	-	(402)	-	2	-
Total	794	5.6%	1,014	6.6%	219	+27.6%	2,088	12.1%	(1,074)	(51.4%)

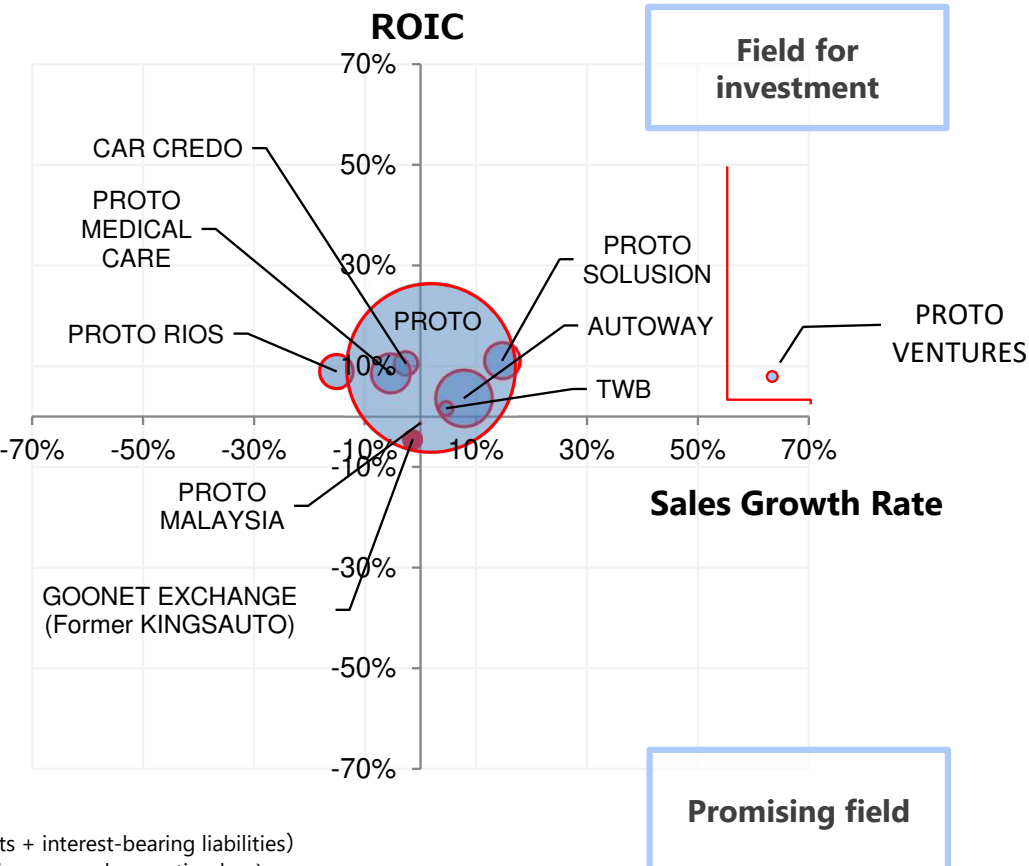
Trends of the Business Portfolio

Improve profitability by divesting unprofitable businesses and changing business models.

FY March 2020



FY March 2021



Regarding Transfer of Shares of a Subsidiary

Transfer of 100% of the shares of PROTO MEDICAL CARE to Benesse Holdings, Inc.

Date of share transfer agreement: May 10, 2021

Date of stock transfer execution : June 1, 2021 (plan)

Overview of the target company

Name: PROTO MEDICAL CARE

Capital: 498 million yen

Year of establishment: December 7, 2004

Business fields: Advertising-related business, welfare equipment rental/sales business, recruitment and temporary staffing business in the fields of nursing care, welfare and medical care

Major shareholder and shareholding ratio: PROTO CORPORATION 100%

Operating results and financial position(consolidated)

Sales (FY March 2020): 3,846 million yen

Operating income (FY March 2020): 177 million yen

Total assets (FY March 2020): 2,390 million yen

Reasons for the Share Transfer

Although the business performance of PROTO MEDICAL CARE has been steady since the launch of the business, it has not yet achieved significant results that contribute to the business growth of both segments as the Company pursues synergies between the automobile-related information segment and the lifestyle-related information segment, which are the core businesses of the Group.

Against this backdrop, the Company has decided to transfer the shares of PROTO MEDICAL CARE to Benesse Holdings as part of the selection and concentration of its business portfolio.

Our company's activities

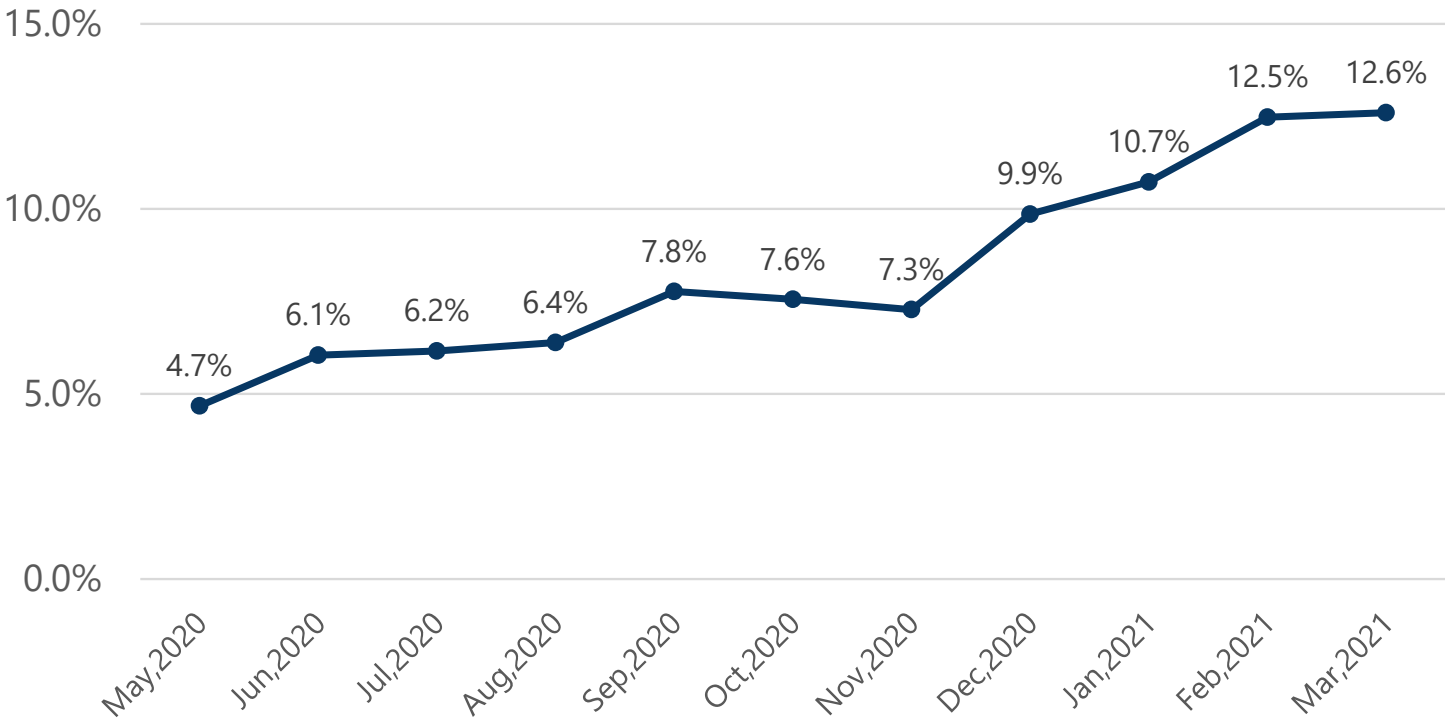
Review of the fiscal year ended March 31, 2021

	Market and user trends	Our company's activities	evaluation	
Ad-related	<p>Continued growth in demand for used cars in the COVID-19 environment</p> <p>Car users are shifting to the Internet (increased site access, increased online negotiations)</p> <p>Used car auction prices will remain high from July 2020 due to strong demand for used cars.</p>	<p>Development and provision of DX products for used car dealers (online business appointments, Goo-net Live, AI product "MOTORGATE AI")</p> <p>Introduction of AI chatbot for Goo-net Pit "Smart Reservation" for maintenance shops</p>	Good	<p>Expansion in the number of used car dealers trading in the COVID-19 environment</p> <p>Increase in the number of UUs on Goo-net</p> <p>Expansion of the number of maintenance shops with fee-based contracts, even in the COVID-19 environment</p> <p>Increase in the number of UUs of Goo-net Pit</p>
Information and Service	<p>New vehicle sales volume has been above the previous year's level since October 2020, despite supply chain disruptions at the beginning of the period.</p> <p>At maintenance shops, the impact of COVID-19 is limited due to ongoing demand for vehicle inspections and statutory inspections.</p>	<p>Development and provision of DX products for new car dealers (DataLine SalesGuide, DataLine AI assessment, AI chatbot, DataLine SalesGuide Car replacement Proposal Movie)</p>	Average	<p>In the COVID-19 environment, the number of installed bases of DataLine SalesGuide exceeded that of the previous year, but fell short of the plan.</p> <p>Achieved higher sales per customer for new car dealers through the introduction and provision of optional products.</p>
Sales of goods	<p>Progress in EC sales of tires and wheels in the COVID-19 environment</p> <p>Used car exports weakened due to port closures and other factors</p>	<p>Promoting EC sales of tires and wheels through B to B EC (MOTORGATE Shopping)</p> <p>In AUTOWAY, strengthen logistics with the start of operation of Tokai-daiichi warehouse</p> <p>For used car exports, strengthen alliances with major used car exporters</p>	Good	<p>In the COVID-19 environment, EC sales of tires and wheels grew due in part to the growth of B to B EC (MOTORGATE Shopping).</p> <p>In the used car export business, progress was made in changing the business model through an alliance with a major used car exporter.</p>

Review of the fiscal year ended March 31, 2021

In the COVID-19 environment, the ratio of online business appointments will continue to rise.

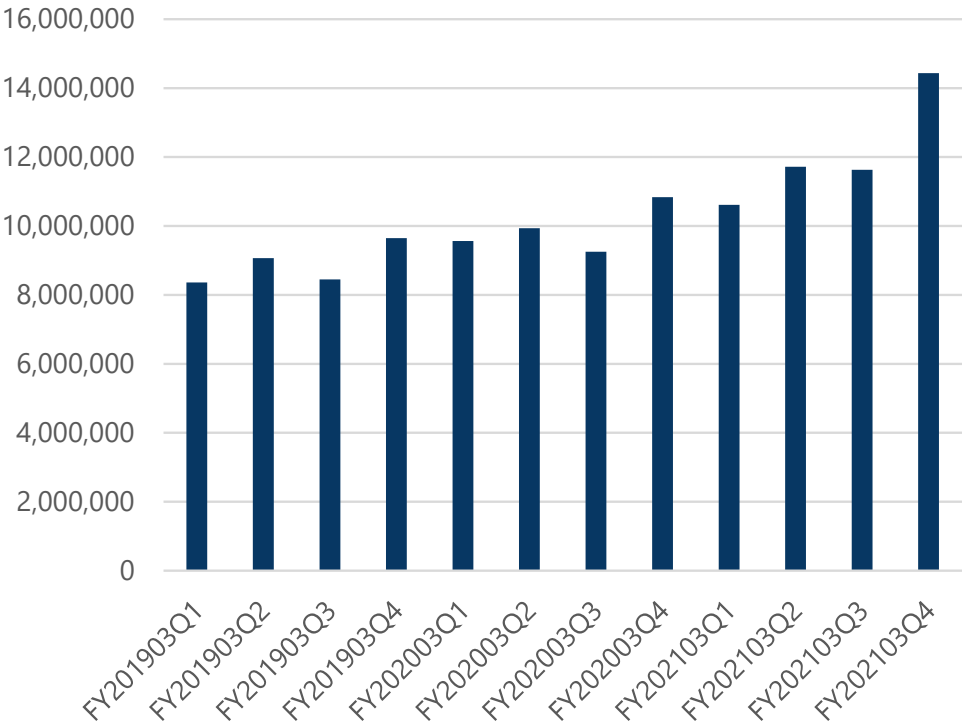
Ratio of "online business appointments" in the MOTORGATE calendar



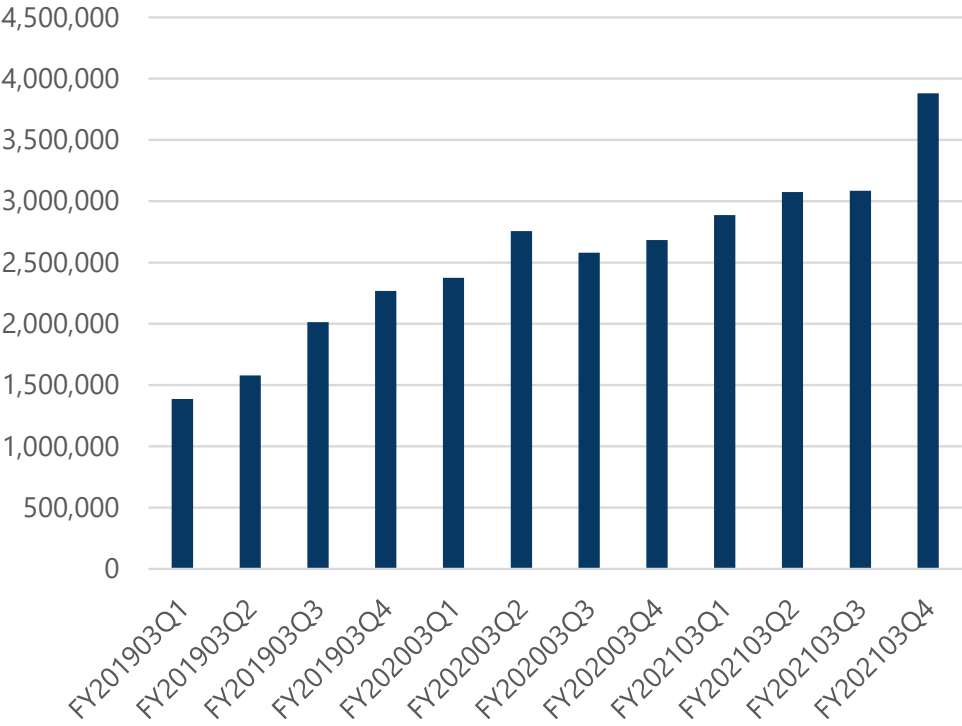
Review of the fiscal year ended March 31, 2021

In the COVID-19 environment, UUs for Goo-net and Goo-net Pit increased steadily, mainly due to promotion of DX support

Goo-net UU/3-month average



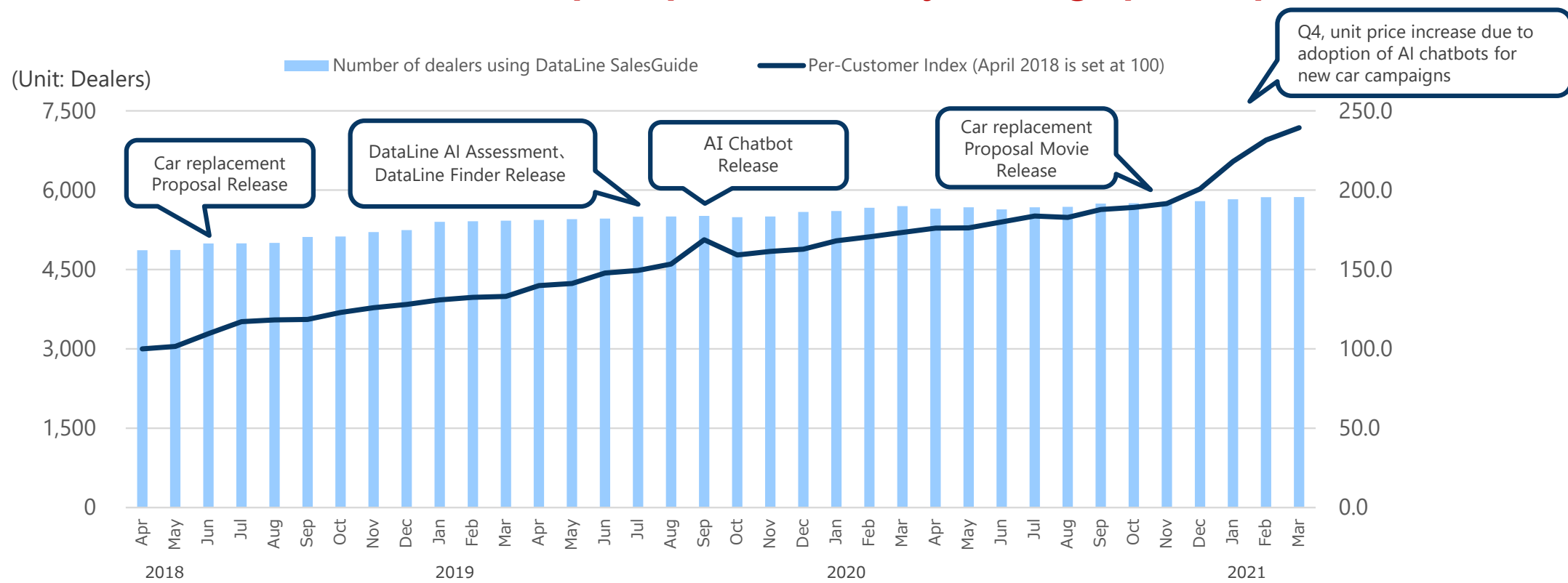
Goo-net Pit UU/3-month average



Review of the fiscal year ended March 31, 2021

Trends in the index per customer in the new car field

Over the past three years, unit price per customer has grown 2.2 times*.
Promote increase in unit price per customer by offering optional products



*Excluding unit price increase due to campaign

Position (vision) to be pursued in the future

Innovating car life through DX, aiming to build the industry's No.1 platform

Future: Total support for car life

The No. 1 platform in the automotive information industry

Total support for car life, including used cars, new cars, maintenance, and tires



Create new businesses by utilizing the resources of the automobile-related business

Current: Promotion of DX

DX promotion in each domain

Used Car
New car
Maintenance
Used car export
Tire

Past: Expansion of automobile- related information domain

Maximizing the Number of Transaction Companies

Used car : Goo-net, MOTOR GATE

New car : DataLine SalesGuide

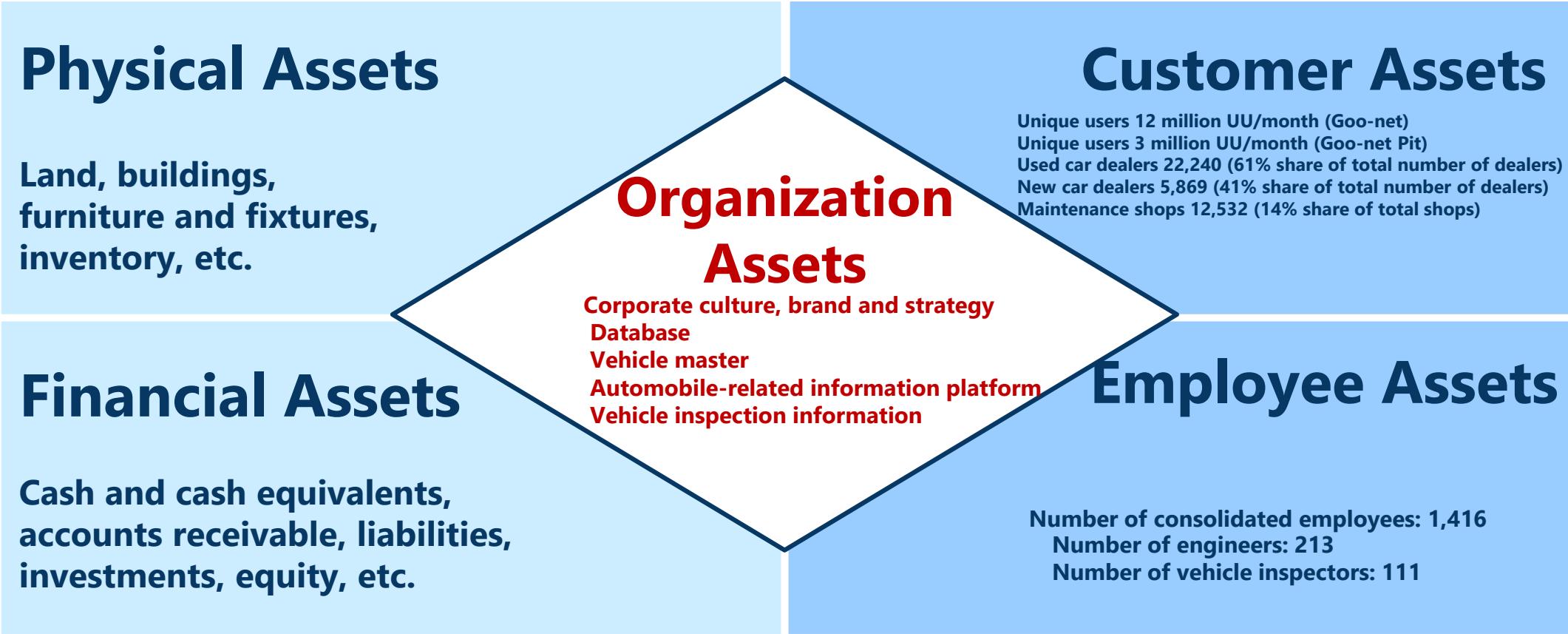
Maintenance : Goo-net Pit

Used car export: Goo-net Exchange

Tire: AUTOWAY, TIRE WORLD KAN BEST

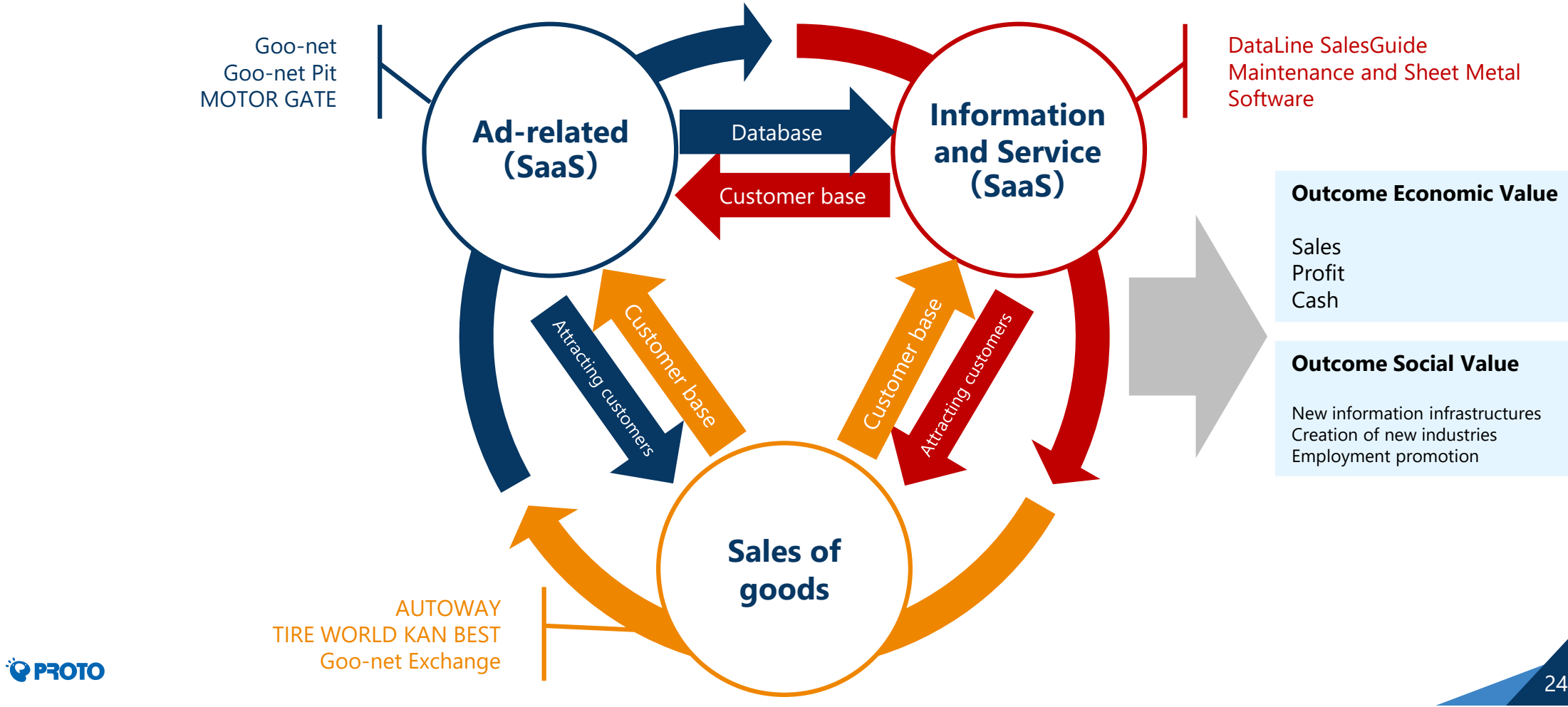
About our assets and strengths

Leveraging organization assets to drive DX in the industry



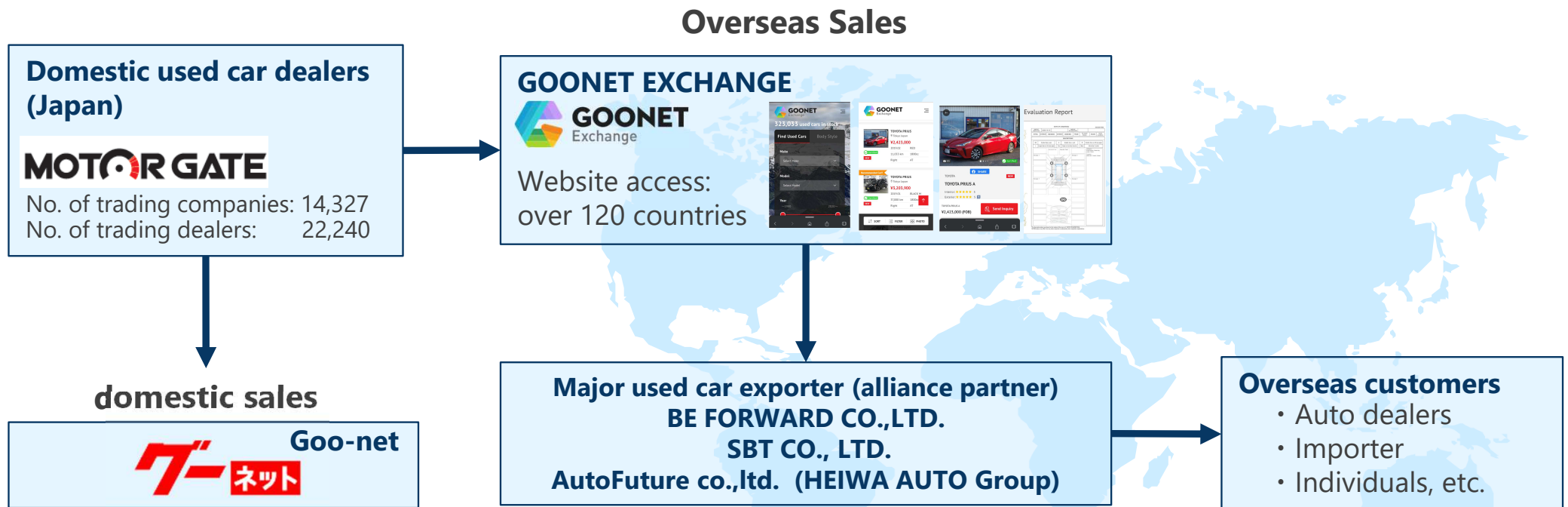
Creating Corporate Value for the PROTO Group

Create business synergies by leveraging each segment's customer base, etc.



Business synergy with GOONET EXCHANGE (used car export)

In addition to domestic sales, support used car dealers to increase their sales volume through alliances with major used car exporters



Assumptions for the Business Environment in the Fiscal Year Ending March 31, 2022

Assuming solid demand even in the COVID-19 environment **Assumption of further progress in business efficiency and DX by customers**

Ad-related (SaaS)

The used car business is expected to remain stable against a backdrop of firm demand for used cars due to an increase in the number of users seeking a personal means of transportation in the COVID-19 environment.
The maintenance business is expected to be stable, backed by solid demand for vehicle inspections and statutory inspections.

Information and Service (SaaS)

Although the new car market is expected to be affected by the shortage of semiconductors in the short term, the industry is at a turning point, and significant changes are expected, including a review of sales channels and the consolidation of stores.

Sales of goods

Tire sales are expected to remain stable against the backdrop of firm replacement demand due to increased frequency of vehicle use.
Used car exports are expected to show a moderate recovery after bottoming out in the previous year.

Priority items for the fiscal year ending March 31, 2022 (new car field)

No change in the importance of new car dealers as sales and maintenance bases
Promote increased presence throughout the transition period

Promote the introduction of
the DataLine series

Promote the introduction of DataLine SalesGuide, DataLine AI Assessment, DataLine SalesGuide Car replacement Proposal Movie, etc., which contribute to the "improvement of operational efficiency" of new car dealers.

Enhancing AI chatbots

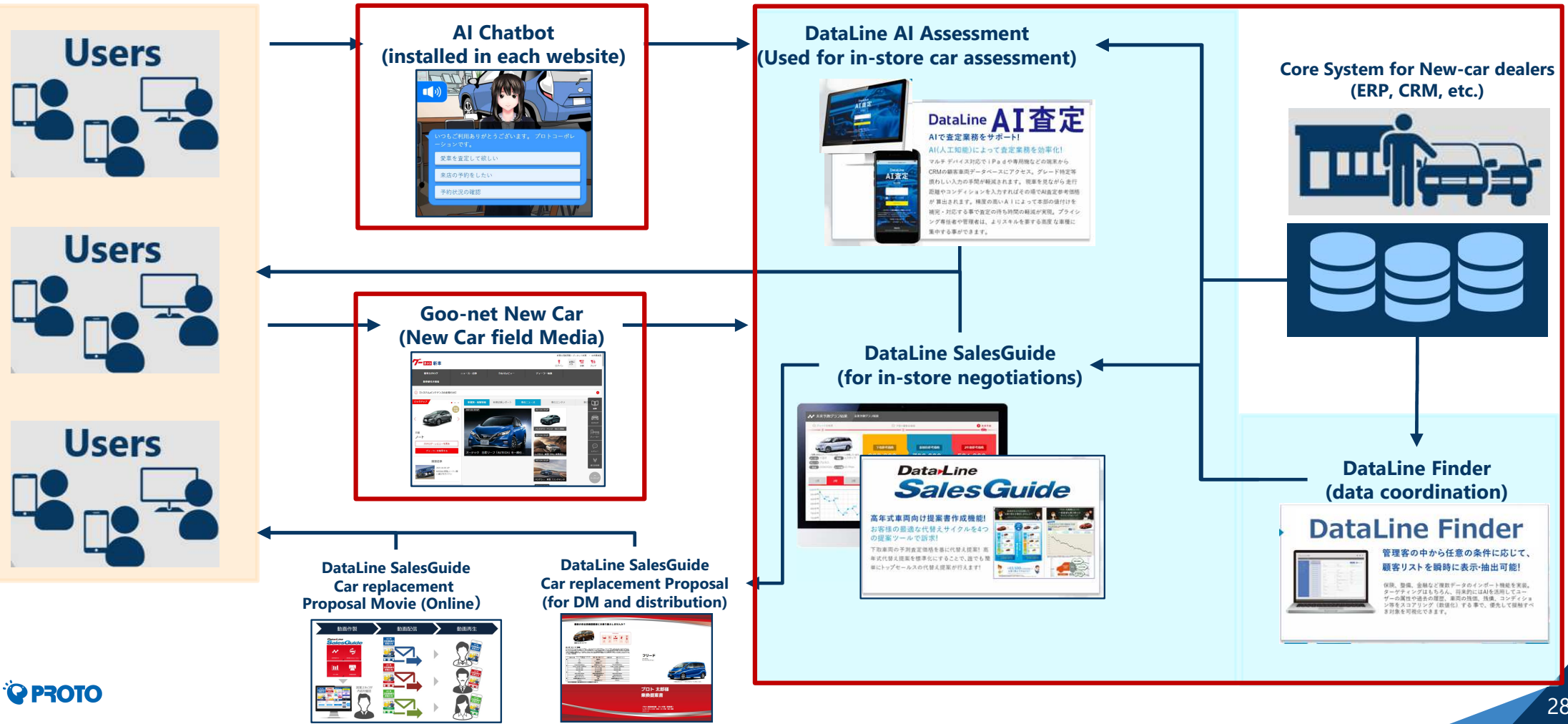
Promote the introduction of AI chatbots that contribute to "user communication improvement" at new car dealers. Also, promote the development of functions to link AI chatbots with other systems.

Goo-net new car
enhancement

Launch of a new service specializing in new car dealer inventory

New Car Field: DataLine Series

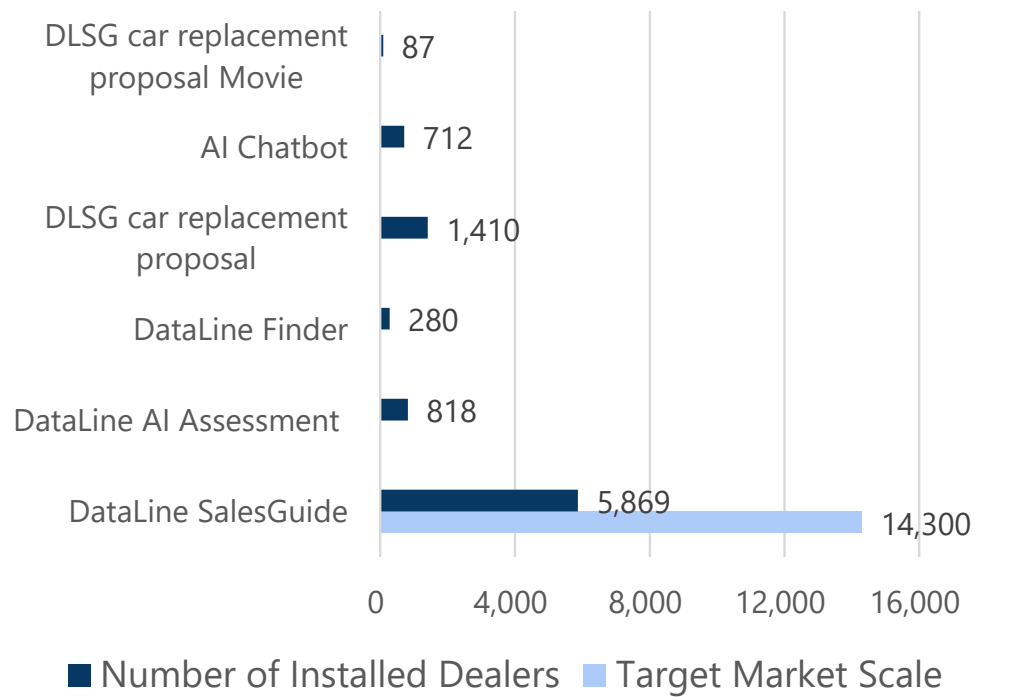
Promote DX in New car dealers



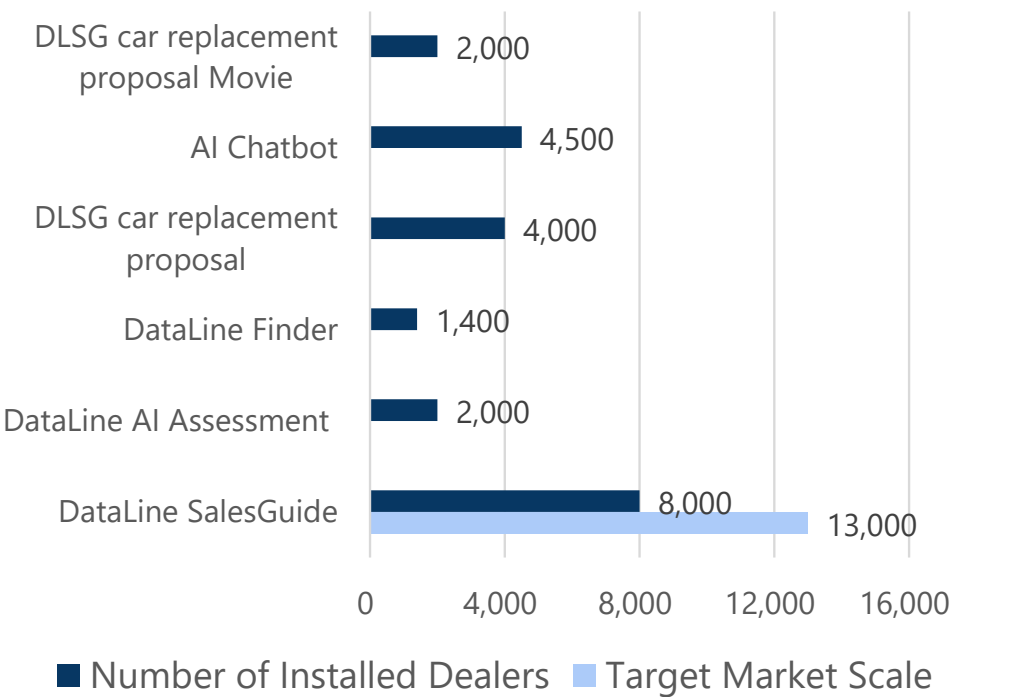
Information and services (new car field)

Expand the number of dealers where products are installed and promote product development to establish an absolute position in the new car market and raise the profit level.

March 2021 (Results)



Medium-term targets



ESG (Corporate Governance)

Strive to improve corporate governance, which is the basis for increasing corporate value, and build a governance structure that meets the requirements of the prime market.

Appointment of at least 1/3 of independent outside directors

Proposal to be presented at the ordinary general meeting of shareholders to be held in June 2021

Establishment of a Nomination Committee and Compensation Committee with a majority of independent outside directors

Currently, the Compensation Committee has been established. Considering the establishment of a Nominating Committee.

Enhance the quantity and quality of disclosure based on TCFD

Consideration of disclosure based on TCFD and other frameworks regarding the impact of climate change-related risks and opportunities on the company's business activities and earnings.

Disclose targets for appointing women, foreign nationals, and mid-career hires to management positions, etc.

Consideration of the concept of ensuring diversity and disclosure of voluntary and measurable goals and their status

Forecast for FY March 2022

FY March 2022: Consolidated Earnings Forecast

Consolidated Statements of Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
Net Sales	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212	+7.6%
Gross Profit	25,191	41.9%	24,841	44.5%	25,135	41.9%	294	+1.2%
EBITDA	7,262	12.1%	7,262	13.0%	7,438	12.4%	175	+2.4%
Operating Income	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%
Ordinary Income	6,118	10.2%	6,118	11.0%	6,080	10.1%	(38)	(0.6%)
Net Income	4,853	8.1%	4,853	8.7%	5,615	9.4%	761	+15.7%
Net Income per Share(Yen)	120.86	-	120.86	-	139.82	-	18.96	+15.7%

[unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
SG&A Expenses	19,250	32.0%	18,899	33.9%	19,035	31.7%	135	+0.7%
Employment Cost	7,525	12.5%	7,525	13.5%	7,206	12.0%	(318)	(4.2%)
Advertising Cost	5,071	8.4%	5,043	9.0%	4,831	8.1%	(212)	(4.2%)
Other Expenses	6,653	11.1%	6,330	11.3%	6,998	11.7%	667	+10.5%

For the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE is expected to result in a decrease in revenue of approximately 3.0 billion yen, a decrease in operating income of approximately 200 million yen, and an increase in net income of approximately 1.0 billion yen.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

FY March 2022: Consolidated Earnings Forecast by Segment

Net Sales [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
Automobile-related	53,679	89.3%	49,384	88.5%	51,893	86.5%	2,509	+5.1%
Ad-related	21,806	36.3%	21,776	39.0%	22,037	36.7%	260	+1.2%
Information and services	5,292	8.8%	5,257	9.4%	5,521	9.2%	263	+5.0%
Sales of goods	26,579	44.2%	22,349	40.1%	24,335	40.6%	1,985	+8.9%
Lifestyle-related	3,914	6.5%	3,914	7.0%	865	1.4%	(3,049)	(77.9%)
Real Estate	157	0.3%	142	0.3%	121	0.2%	(21)	(14.9%)
Other Business	2,345	3.9%	2,345	4.2%	7,119	11.9%	4,773	+203.6%
Total	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212	+7.6%

In the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE will result in a decrease of approximately 3.0 billion yen in net sales and a decrease of approximately 200 million yen in operating income in the lifestyle-related business.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

Operating Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	Forecast(c)	Profit Margin	(c)-(b)	%
Automobile-related	7,036	13.1%	7,036	14.2%	7,538	14.5%	501	+7.1%
Lifestyle-related	273	7.0%	273	7.0%	49	5.7%	(224)	(81.9%)
Real Estate	140	89.1%	140	98.3%	102	84.0%	(38)	(27.3%)
Other Business	130	5.6%	130	5.6%	362	5.1%	232	+177.8%
Management Division	(1,639)	-	(1,639)	-	(1,952)	-	(312)	-
Total	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

Medium-term 3-Year Business Plan (Business Indicators)

**We aim to achieve an ROE of 12% or more
in the 3-year medium-term plan.**

■ Concerning important business indicators

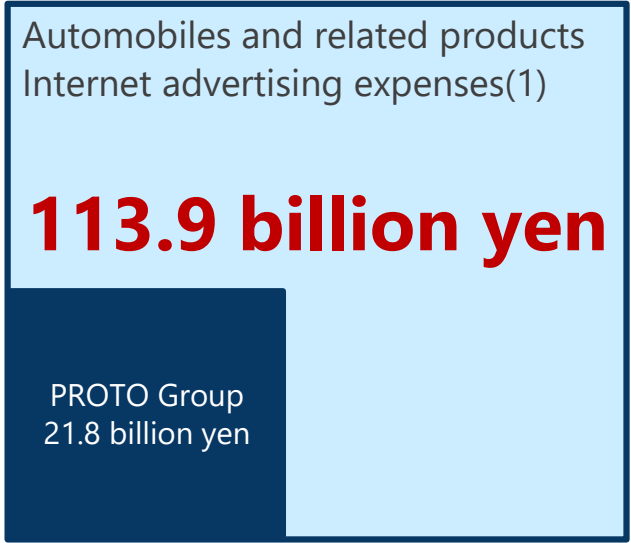
Along with the growth of gross profit and operating income, we have positioned ROE and EPS as important business indicators.

■ Business indicators

	FY March 2022 Plan	FY March 2022 Forecast	Forecast of Business Indicators
ROE	Over 12.0%	14.7%	Forecast of achievement
EPS (Net income per share)	100.00 yen	139.82 yen	Forecast of achievement
Gross profit	CAGR 6.4%	CAGR 1.8%	Expected to be unachieved
Operating income	CAGR 9.4%	CAGR 10.1%	Forecast of achievement

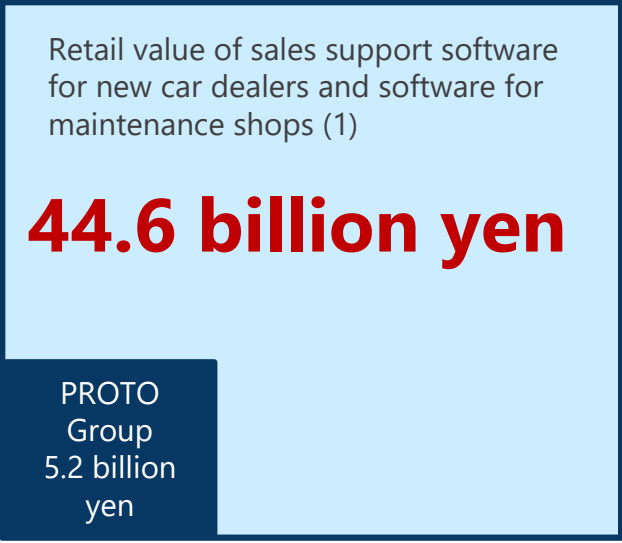
Potential market size

Ad-related(SaaS) (Internet advertising expenses)



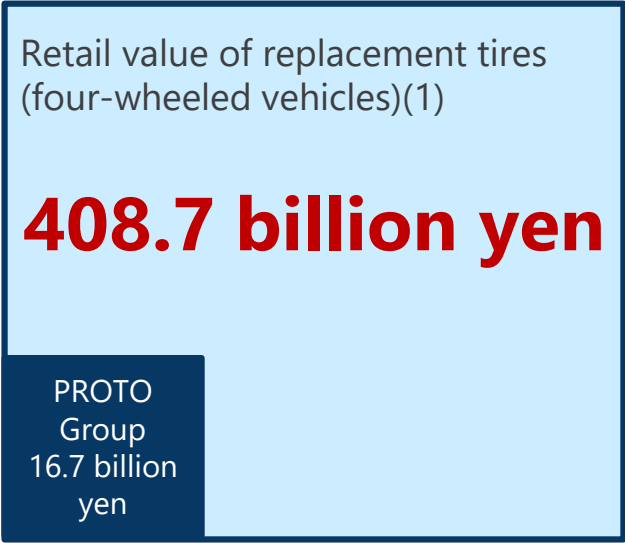
(Notes) 1. Estimated by PROTO based on "Advertising Expenditures in Japan in 2020" by Dentsu.

Information and Service(SaaS) (Sales support software for new car dealers, software for maintenance shops)



(Notes) 1: Estimated by PROTO based on the number of new car dealers, the number of maintenance shops and the unit price per customer.

Sales of goods (Domestic replacement tires)



(Notes) 1: Estimated by PROTO based on "2020 Replacement Tire Sales" by THE Japan Automobile Tyre Manufacturers Association, Inc.

Regarding profit sharing with shareholders

Policy for profit sharing with shareholders

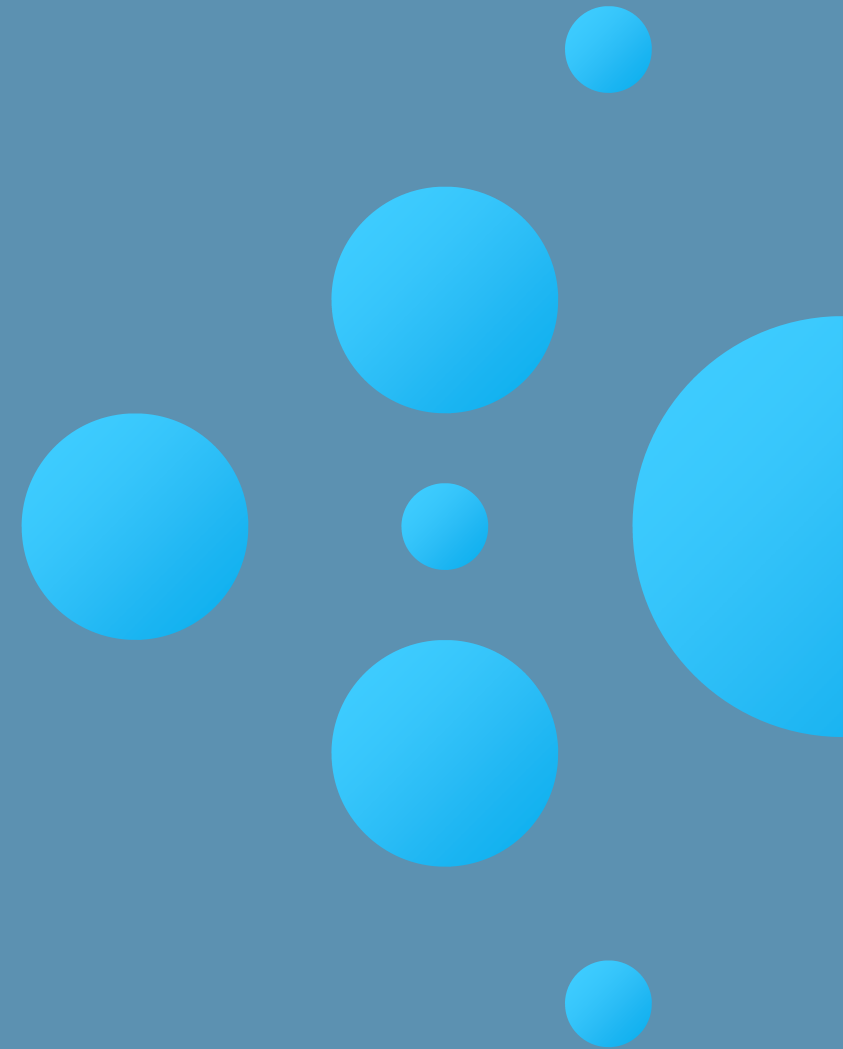
We will make efforts to return profits to shareholders while comprehensively considering continuous, stable dividends, the enrichment of internal reserve for the future growth, etc. We will use the internal reserve effectively by investing in existing and new businesses, for further fortifying the management foundation and expanding the business scale.

Cash Dividends per Share

[unit: yen]	FY March 2019 Results	FY March 2020 Results	FY March 2021 Results	FY March 2022 Forecast
2 nd Quarter	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	12.5 yen
Year-End	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	12.5 yen
Annual	25 yen	27.5 yen (Including commemorative dividend: 2.5 yen)	25 yen	25 yen

Note: For Cash Dividends per Share, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 was taken into account.

APPENDIX



Vision “Corporate Goal”

Gaining “customer satisfaction (useful information and services),” “employee pride (company and work),” and “shareholder trust (future and achievements)” by creating a new society through change and innovation

Customer satisfaction

Beneficial information and services

Pride of employees

Company and work

CHANGING COMPANY

-A company that continues
to change for the future-

Trust from shareholders

Future and results

Initiatives for the Future

Promote the establishment and integration of positions in the used car, new car, and maintenance fields.

Priorities

- New car field : To earn profit mainly from services based on our database.
- Used car field : To review manufacturing cost and SG&A.
(reconsidering paper media and business footholds)
- Maintenance field : ①To expand the foundation of the advertisement business.
②To establish appointment service
- Investment in the AI domain (To elevate existing businesses)
- Investment in new businesses(To create new services)

- Gross profit
- Operating income

New service, etc.

Maintenance field **Goo-net Pit**
7-ネットピット

New car field

DataLine
SalesGuide

Used car field

Goo-net
7-ネット
MOTOR GATE

Corporate Profile

Corporate Name	PROTO CORPORATION	
Founded	October 1, 1977	
Established	June 1, 1979	
Common Stock	1,849 million yen (As of March 31, 2021)	
Shares Outstanding	41,925,300 shares (As of March 31, 2021)	
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 6-18-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan	
Branch Offices	Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (53 Sales Outlets Nationwide)	
Fiscal Year-end	March 31	
Number of Employees	Consolidated: 1,416 (As of March 31, 2021) Parent: 553 (As of March 31, 2021)	
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya Stock Exchange, First Section	
Subsidiary	<div> 1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013) 2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015) 3. GOONET EXCHANGE (Former Kings Auto) (Full subsidiary since April 2012) 4. PROTO-RIOS INC. (Full subsidiary since October 2002) 5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012) 6. CAR BRICKS Co., Ltd. (Shareholder ratio 66% ,established in May 2017) 7. PROTO MEDICAL CARE (Full subsidiary since October 2009) 8. MARUFUJI (Full subsidiary since January 2016) 9. SILVER HEART (Full subsidiary since January 2016) </div> <div> 10. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007) 11. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017) 12. Associe Co., Ltd (Full subsidiary since October 2019) 13. PROTO Ventures (Full subsidiary, established in April 2019) 14. PROTO Ventures 2 Investment Limited Partnership (Full subsidiary, established in April 2021) 15. CAR CREDO (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018) 16. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011) * The company is currently under liquidation. (As of May 13, 2021) </div>	



Major Shareholders

Financial Data (Consolidated)

Shares outstanding (million, March 2021)	41.9
DPS (¥, FY March 2022, Forecast)	25.0
EPS (¥, FY March 2022, Forecast)	139.82
BPS (¥, FY March 2021)	893.97
ROE (% , FY March 2021, Net income basis)	14.3
ROA (% , FY March 2021, Ordinary income basis)	13.0
Equity ratio (% , March 2021)	72.7
Potential share dilution (million)	-
Foreign ownership (% , March 2021)	27.67

Major Shareholders

	(Thousands)
1) Mugen Corporation	13,614 (32.47%)
2) The Master Trust Bank of Japan, Ltd. (Trust Account)	2,964 (7.07%)
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	2,741 (6.53%)
4) PROTO CORPORATION	1,766 (4.21%)
5) JP MORGAN CHASE BANK 385632	1,137 (2.71%)
6) Custody Bank of Japan, Ltd.(Trust Account)	1,000 (2.38%)
7) CLEARSTREAM BANKING S.A.	974 (2.32%)
8) Hiroichi Yokoyama	887 (2.11%)
9) Yoshihiro Yokoyama	724 (1.72%)
10) JPMBL RE NOMURA INTERNATIONAL PLC 1 COLL EQUITY	690 (1.64%)

(As of March 31, 2021)

Segment details

Major products in each segment

Automobile-related(Main Product)

Ad-related

Used cars

Data registration fee for Goo-net, etc. (charge for using MOTOR GATE, etc.)

Maintenance

Data registration fee for Goo-net Pit

Information and services

New cars

DataLine SalesGuide, etc.

Maintenance

Sales of software for maintenance and sheet-metal processing (PROTO-RIOS)

Sale of goods

EC: Tires and Wheels (AUTOWAY, TIRE WORLD KAN BEST)

Export of used cars (GOONET EXCHANGE)

EC: Sale of goods (PROTO CORPORATION)

Lifestyle-related Sales of ads, rental welfare goods (PROTO MEDICAL CARE)

Real Estate Income from the rental of real estate (PROTO CORPORATION)

Other Business

- BPO business, Software Development (PROTO SOLUTION)
- Agricultural business (PROTO CORPORATION)
- Investment (PROTO Ventures)



Ad-related

MOTOR GATE **Goo-net** **GooBike** **Goo-net Pit**

7-ネット **7-バイク** **7-ネットピット**

The monthly charge for MOTOR GATE (such as Goo-net) is dominant.
The sales from ad agency business, fliers, information magazines, etc. are included.

Information and services



The monthly charge for the cloud service "DataLine" for new car dealers and the sales of software for maintenance and sheet-metal processing are dominant. The sales from vehicle appraisal are included.

Sale of goods



Sales are mainly from the e-commerce sales of tires and wheels and exporting used cars.

Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

Sales are mostly from rent income of the non-operational floors of our own building.

Sales are mostly from the BPO business.

Used car field: Business models of Goo-net and MOTOR GATE

Users

- **Browsing of contents**
Detailed info on used cars
Info on used car dealers
Reviews of vehicles
Reviews of used car dealers
- **Inquiries to used car dealers**
Inventory check, requests for quotes, appointments, booking of a test drive, booking of online business talks, online business talk "Goo-net Live"
- **Charging system: free**



Platform



<https://www.goo-net.com/>

- Used car search (smartphones, apps, PCs, and information magazines)
- Detailed info on used cars (including Inspection info)
- Detailed info on used car dealers



- Automobile-related info platform (management system for used car dealers)
- Management of sales, customers, and inventory BtoB EC, ledger management function, etc.



Clients (Used car dealers)

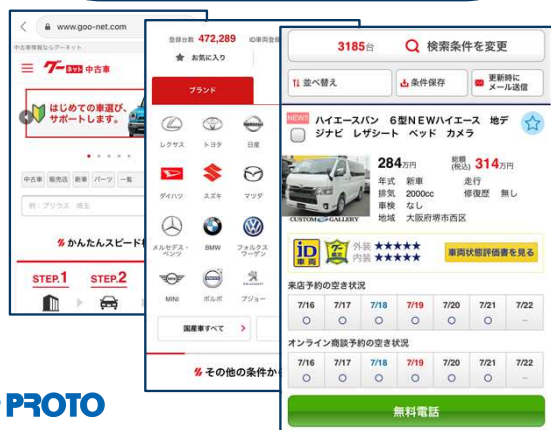
- Used car info registration (inventory registration)
- To deal with users' inquiries
- **Charging system:**
Ad posting fee (MOTOR GATE charges)

*Fixed monthly charge (linked with the number of vehicles in stock)
Charges for options of MOTOR GATE

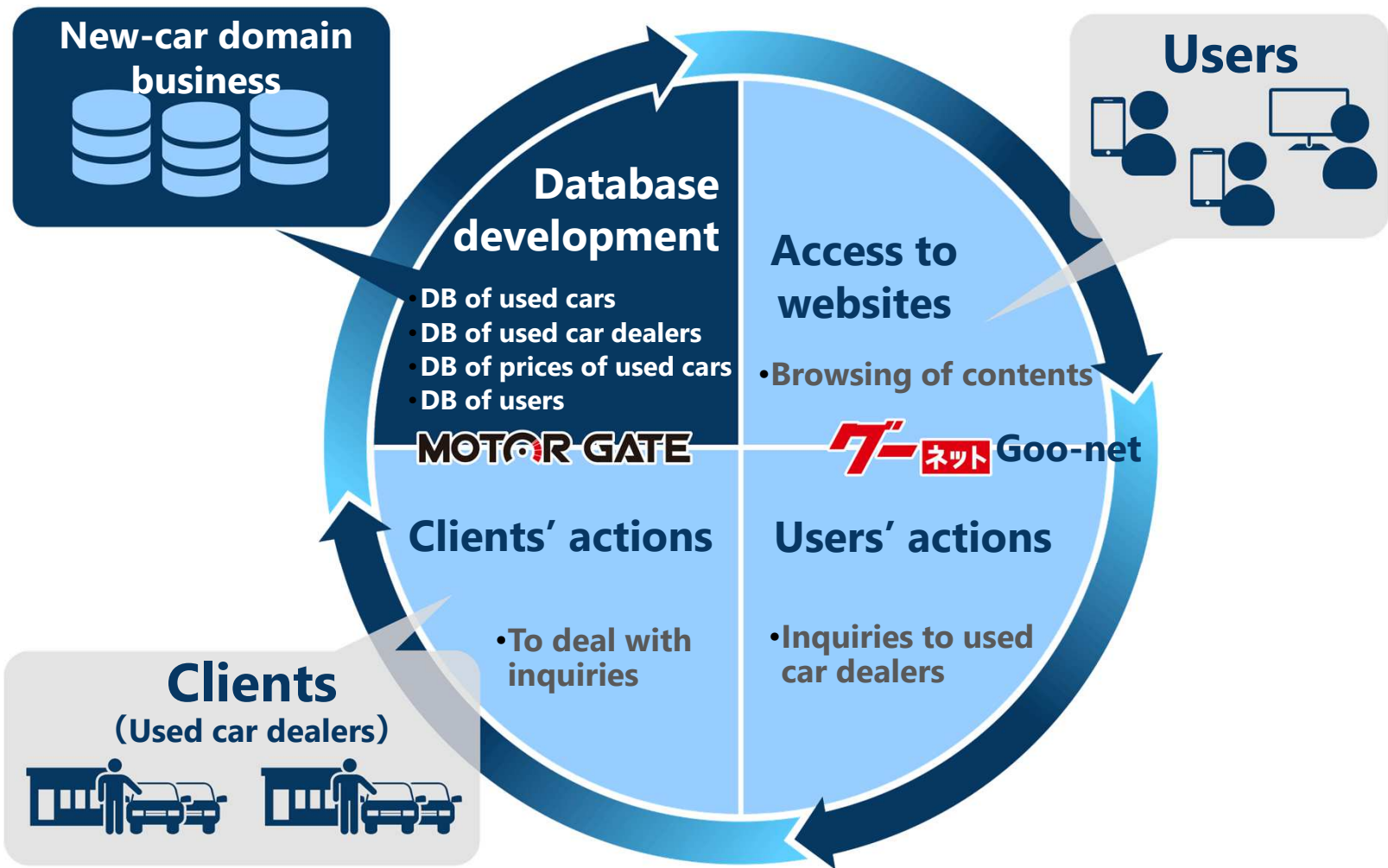
Subsidiary for inspection



- Used car inspection service (about 610,000 vehicles per year, FY 3/2021)
- Charging system: charge per vehicle



Used car field: Business cycle of Goo-net and MOTOR GATE



Used car field: Our strengths (disclosure of information on the status of used cars)


To develop an environment where users can purchase used cars without worry.

Goo-net
7-ネット


No. of used cars listed
503,622

With vehicle condition information
191,541


あんしん、まる見え。
iD 車両




Goo-inspected Cars



Certified Pre-Owned Cars





In-house production of the automobile inspection function

Outline and illustration of Goo-inspection (example)



Note: For reference: No. of cars whose status info has been disclosed by competing media: 57,904 (as of April 19,2021)

New-car field: Business models of DataLine Series

Users

- Comparison of costs for new cars
- Simulation of changing cars
- Simplified estimation of future prices

Charging system: free

- Appraisal and evaluation of cars owned

Charging system: free

- Inquiries to new car dealers

Charging system: free

Platform

DataLine SalesGuide

- Function to compare costs at the time of business talks for new cars
- Function for simulation of changing cars
- Function to estimate future prices
- Function to give a proposal for changing cars

DataLine AI 査定

- Appraisal function

AI Chatbot

- Business talk booking function (online)
- Online simple appraisal function
- Online price estimation function, etc.

Clients (new car dealers)

- Registration of customer info
- Registration of info on users' vehicles

Charging system:
Monthly charge (fixed)

- Registration of customer info
- Registration of info on users' vehicles

Charging system:
Monthly charge (fixed)

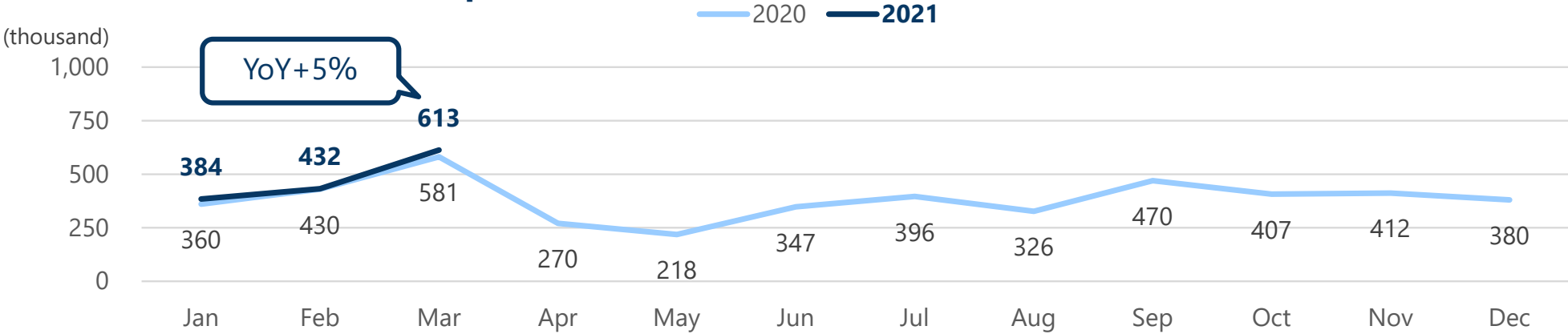
- To deal with inquiries from users

Charging system:
Monthly charge (fixed)

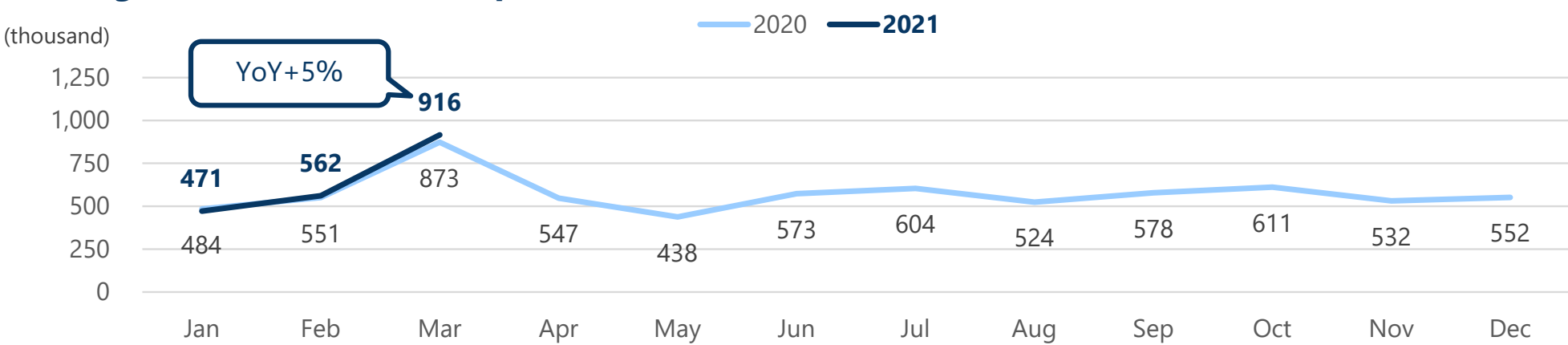


Regarding the domestic automotive market

Sales volume of new cars in Japan

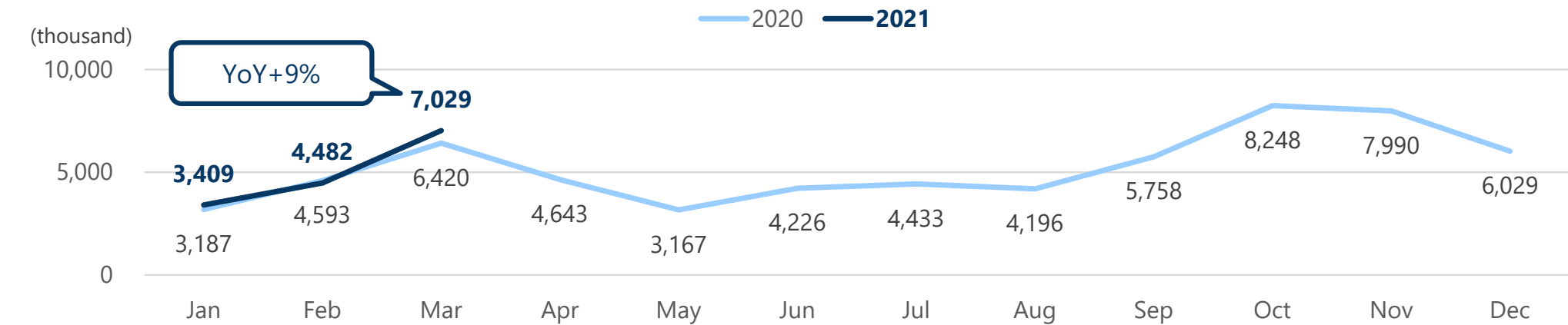


No. of registered used cars in Japan

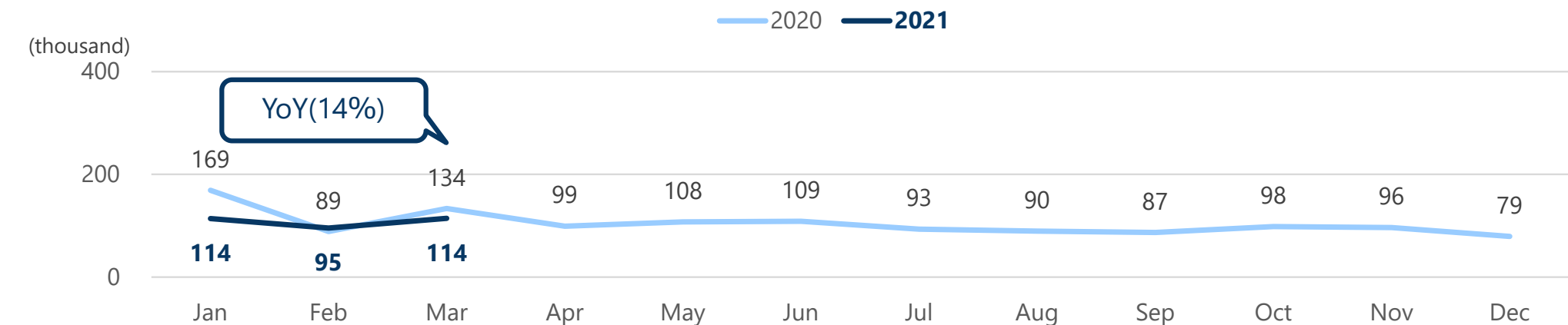


Regarding the domestic automotive market

Sales volume of tires of four-wheeled vehicles for replacement in Japan

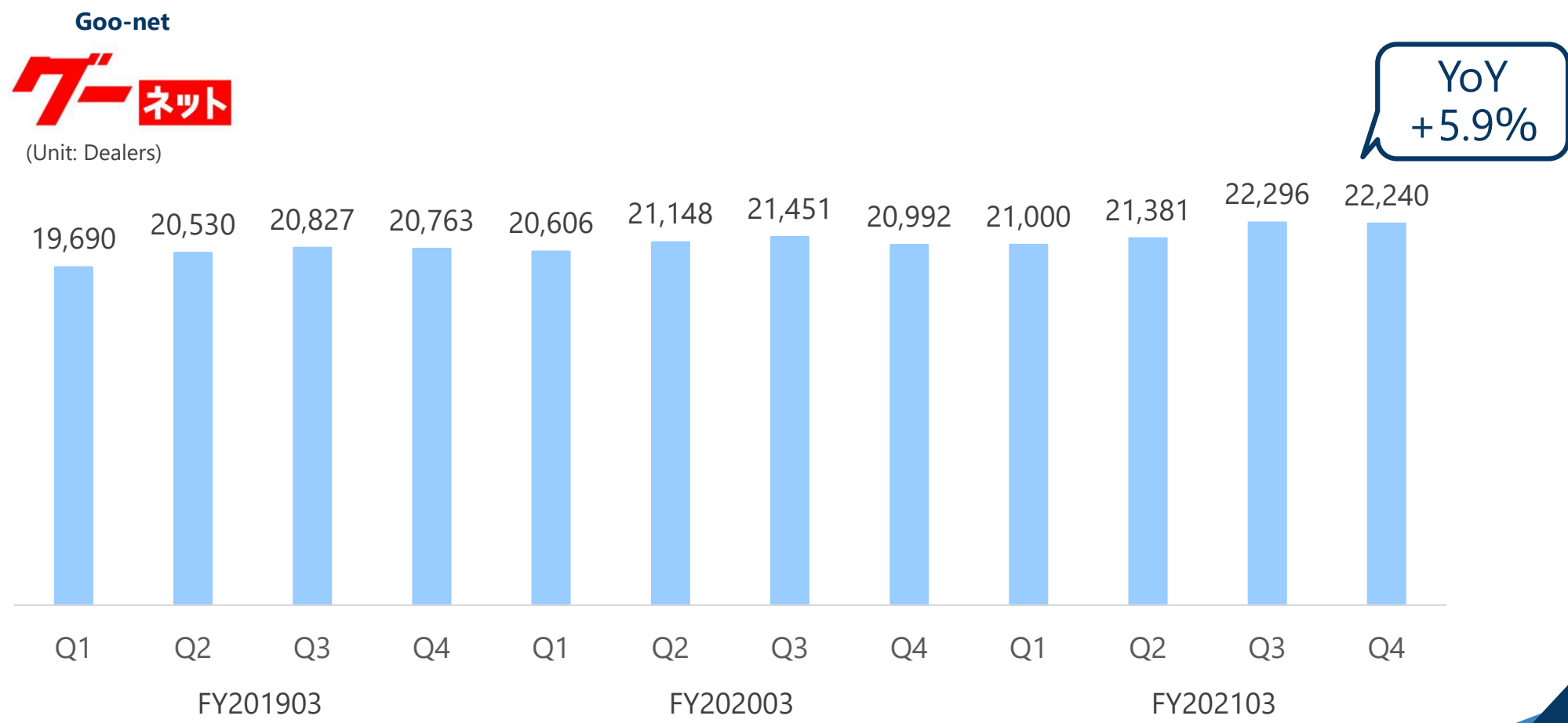


No. of deregistered vehicles for export in Japan



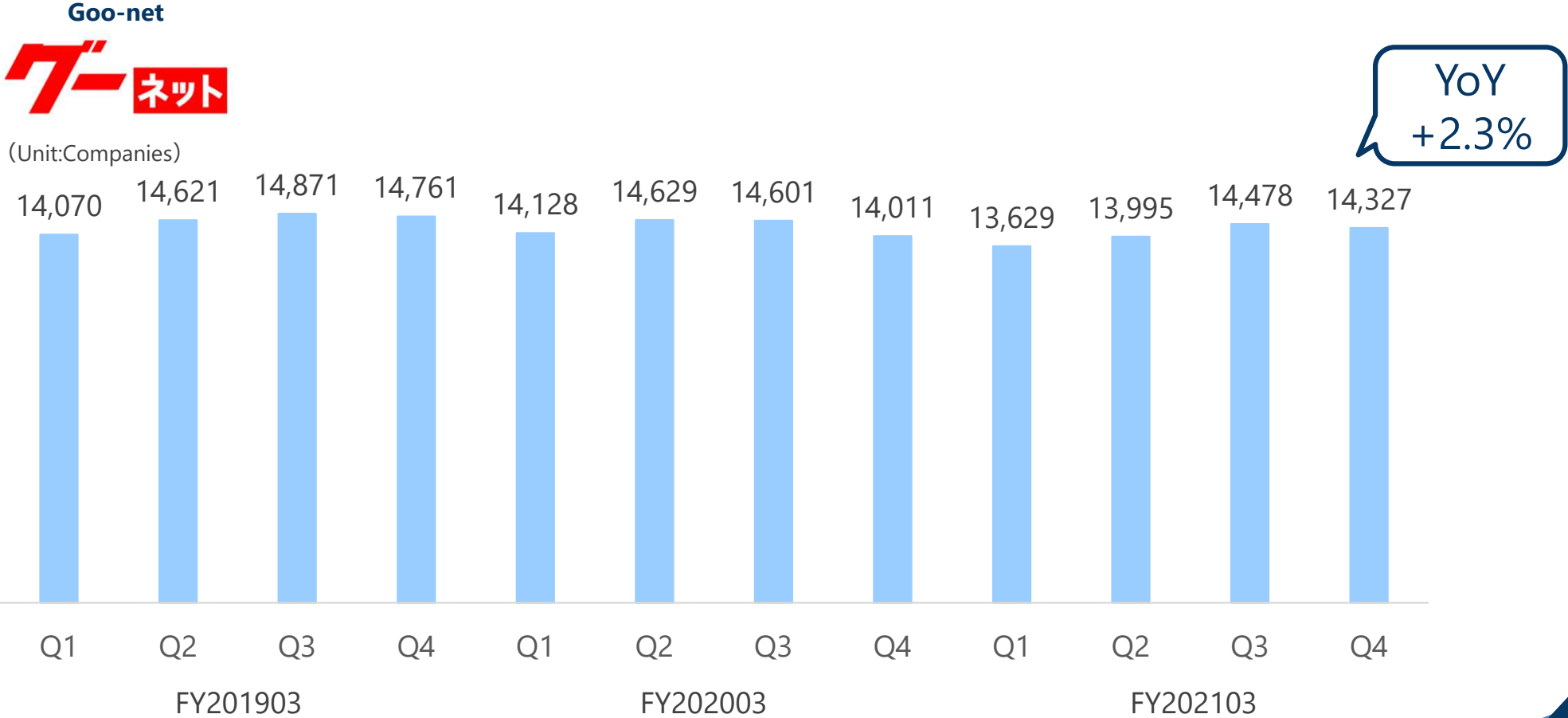
Ad-related (used car field)

No. of affiliated dealers of Goo-net (MOTOR GATE)



Ad-related (used car field)

No. of affiliated companies of Goo-net (MOTOR GATE)

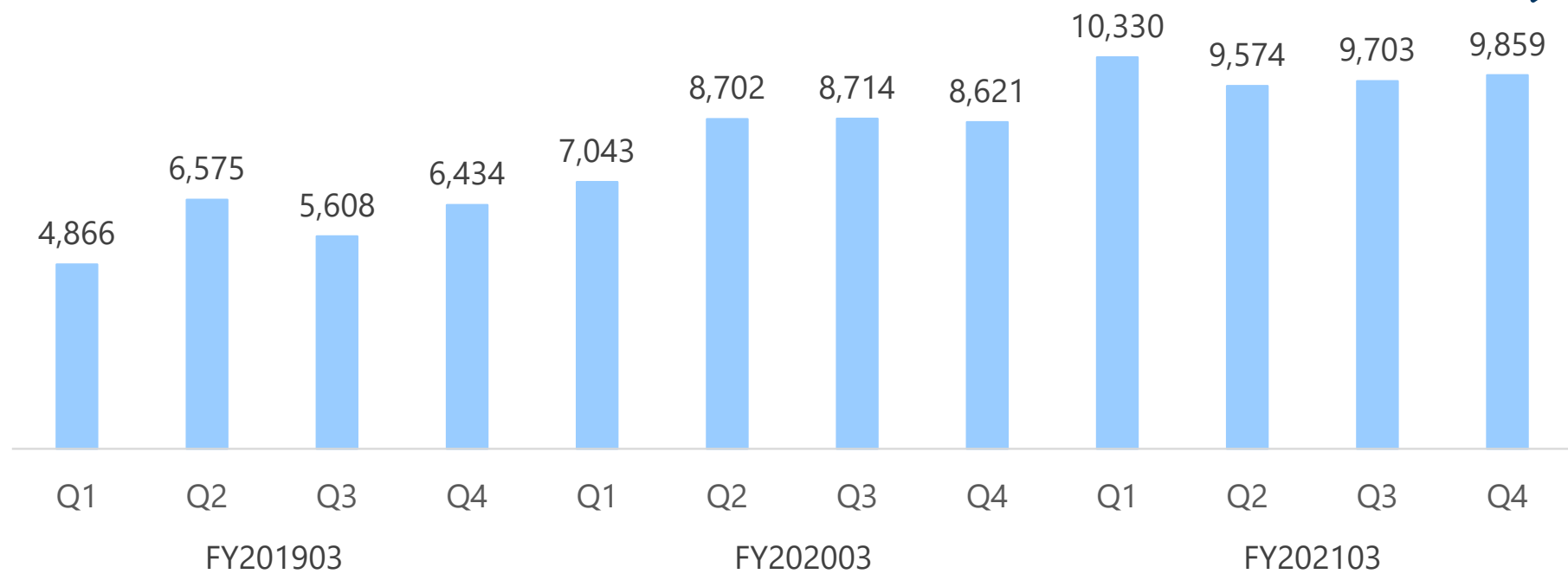


Ad-related (used car field)

No. of dealers that have installed MOTOR GATE Calendar (including the booking of online business talks)



(Unit: Dealers)



YoY
+14.4%

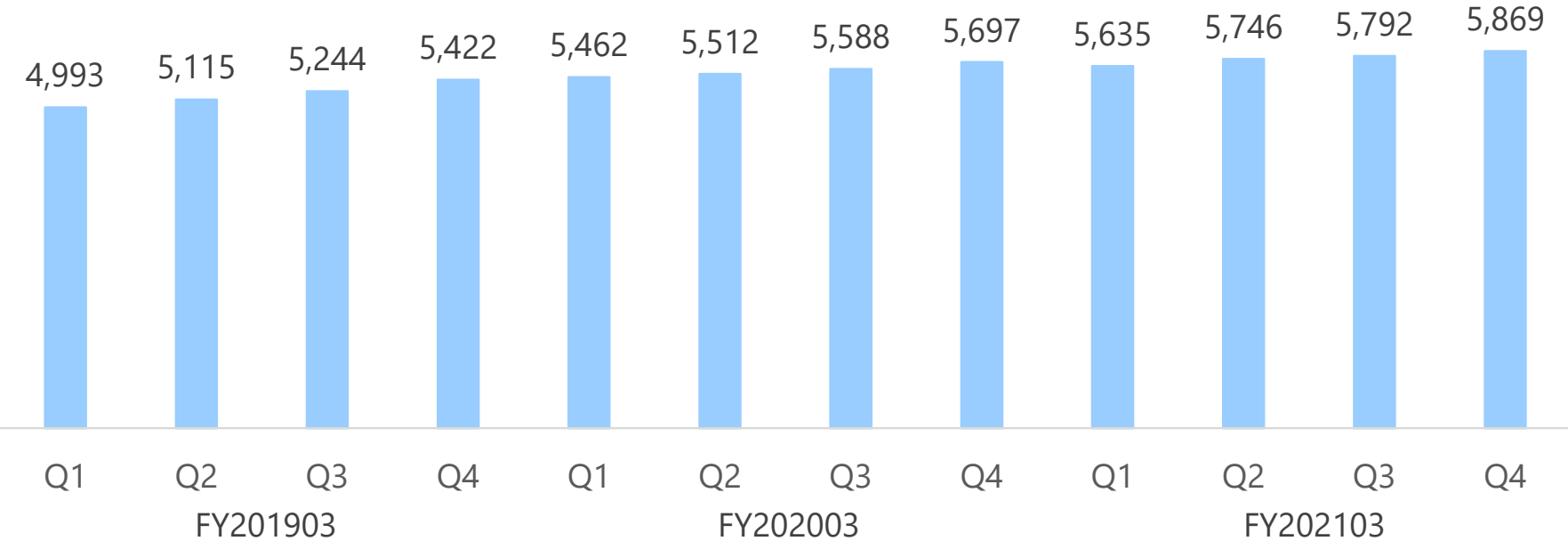
Information and services (new car field)

We will strive to grow the new car domain, by increasing the number of dealers that have adopted our products and increasing average spending per customer.

DataLine
SalesGuide

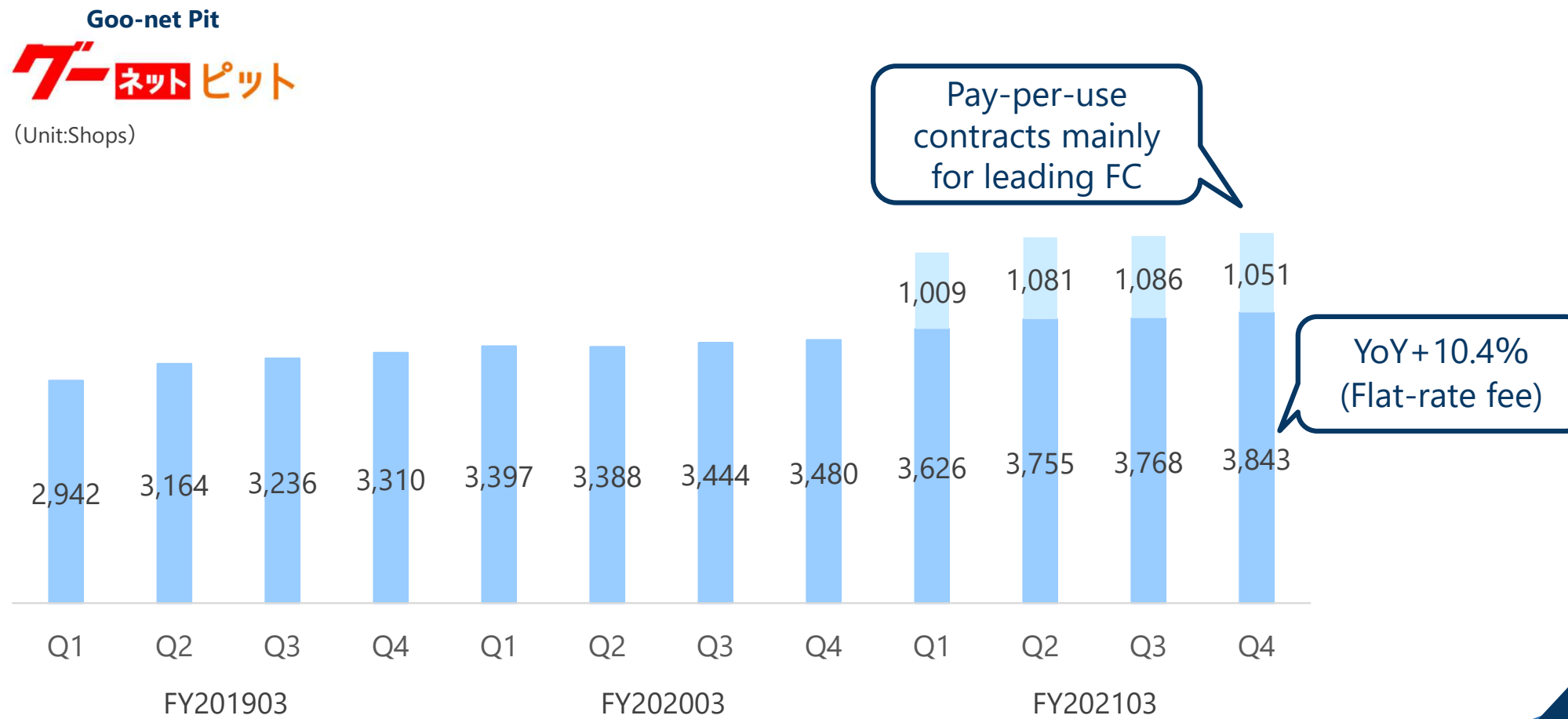
(Unit: Dealers)

YoY
+3.0%



Ad-related (maintenance field)

No. of fee-paying shops listed in Goo-net Pit (pay-per-use contracts started in Q1 of 2020)



FY March 2021: Operating Results by Segment

Net Sales [unit: million yen]	FY March 2020		FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Automobile-related	52,870	89.4%	53,679	89.3%	809	+1.5%
Ad-related	21,485	36.3%	21,806	36.3%	321	+1.5%
Information and services	5,557	9.4%	5,292	8.8%	(264)	(4.8%)
Sales of goods	25,827	43.7%	26,579	44.2%	752	+2.9%
Lifestyle-related	4,168	7.0%	3,914	6.5%	(253)	(6.1%)
Real Estate	160	0.3%	157	0.3%	(3)	(1.9%)
Other Business	1,928	3.3%	2,345	3.9%	416	+21.6%
Total	59,127	100.0%	60,097	100.0%	970	+1.6%

Operating Income [unit: million yen]	FY March 2020		FY March 2021		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%
Automobile-related	6,582	12.5%	7,036	13.1%	454	+6.9%
Lifestyle-related	169	4.1%	273	7.0%	104	+61.9%
Real Estate	135	84.2%	140	89.1%	5	+3.8%
Other Business	58	3.1%	130	5.6%	71	+121.6%
Management Division	(1,809)	-	(1,639)	-	169	-
Total	5,136	8.7%	5,941	9.9%	804	+15.7%

FY March 2021: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2020		As of March 31, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	28,231	63.1%	31,623	64.0%	3,392	112.0%
Non-Current Assets	16,494	36.9%	17,764	36.0%	1,269	107.7%
Current Liabilities	11,268	25.2%	12,126	24.6%	857	107.6%
Non-Current Liabilities	1,524	3.4%	1,327	2.7%	(196)	87.1%
Net Assets	31,932	71.4%	35,934	72.8%	4,001	112.5%
Total Assets	44,726	100.0%	49,388	100.0%	4,662	110.4%

[unit: million yen]	As of March 31, 2020		As of March 31, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	18,057	40.4%	21,705	43.9%	3,648	120.2%
Interest-bearing debt	3,757	8.4%	3,360	6.8%	(397)	89.4%
Net cash	14,299	32.0%	18,345	37.1%	4,045	128.3%

FY March 2021: Consolidated Statements of Cash Flows

[unit: million yen]	FY March 2020	FY March 2021	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	6,014	6,574	560
Cash Flows from Investing Activities	401	(898)	(1,299)
Cash Flows from Financing Activities	(4,459)	(1,530)	2,929
Cash and Cash Equivalents at End of Term	17,336	21,485	4,148

[unit: million yen]	FY March 2020	FY March 2021	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	2,010	760	(1,250)
Depreciation (Tangible/intangible fixed assets)	890	898	8
Amortization of Goodwill	429	422	(7)

Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Net Sales	15,816	14,774	17,228	14,430	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325
Gross Profit	5,900	5,734	6,389	5,807	5,951	6,172	6,282	6,000	5,962	5,978	6,859	6,391
EBITDA	1,626	1,287	2,069	936	1,760	1,602	1,962	1,130	1,829	1,667	2,418	1,347
Operating Income	1,263	954	1,739	606	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014
Ordinary Income	1,421	1,001	1,805	775	1,436	1,341	1,806	769	1,554	1,273	2,045	1,245
Net Income	914	600	1,193	449	1,035	2,142	1,390	421	1,017	774	1,437	1,624

[unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
SG&A Expenses	4,637	4,779	4,649	5,200	4,502	4,901	4,660	5,205	4,459	4,642	4,771	5,376
Employment Cost	1,996	1,955	1,914	2,005	1,917	1,922	1,938	1,942	1,902	1,872	1,867	1,883
Advertising Cost	908	1,195	1,001	1,380	945	1,205	989	1,462	964	1,139	1,184	1,782
Other Expenses	1,732	1,628	1,733	1,814	1,638	1,773	1,732	1,800	1,593	1,630	1,719	1,710

Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Automobile-related	14,303	13,253	15,718	12,892	13,219	13,670	13,495	12,483	11,935	12,344	15,736	13,663
Ad-related	5,187	5,325	5,368	5,397	5,161	5,387	5,366	5,569	5,163	5,361	5,486	5,794
Information and services	1,255	1,185	1,264	1,336	1,259	1,415	1,452	1,428	1,253	1,322	1,346	1,371
Sales of goods	7,860	6,742	9,085	6,158	6,798	6,867	6,676	5,485	5,518	5,660	8,903	6,497
Lifestyle-related	1,085	1,103	1,075	1,070	1,044	1,057	1,022	1,044	981	978	954	1,001
Real Estate	48	49	49	47	46	43	35	35	37	39	40	40
Other Business	379	368	384	420	388	375	581	583	564	575	584	620
Total	15,816	14,774	17,228	14,430	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325

Operating Income [unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Automobile-related	1,554	1,208	2,009	986	1,793	1,642	1,981	1,164	1,786	1,605	2,340	1,304
Lifestyle-related	71	94	68	15	51	43	32	42	81	80	60	51
Real Estate	48	48	49	46	47	42	35	9	33	31	38	37
Other Business	11	12	18	14	14	17	28	(1)	22	37	50	19
Management Division	(422)	(408)	(406)	(455)	(457)	(474)	(456)	(420)	(420)	(418)	(402)	(399)
Total	1,263	954	1,739	606	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014

Operating Results 10-year Summary

[unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Net Sales	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941
Net Income	3,275	2,290	2,627	2,381	(390)	1,506	519	3,159	4,991	4,853
EBITDA*1	6,540	5,161	6,483	6,039	6,149	4,547	5,396	5,920	6,455	7,262
Adjusted Net Income*2	3,680	2,836	3,555	3,308	641	2,145	1,151	3,596	5,420	5,275
Depreciation	288	404	819	879	1,046	1,113	1,089	916	890	898
Amortization of Goodwill	405	546	928	926	1,032	638	632	437	429	422

*1 EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

*2 Adjusted Net Income was calculated with the equation: net income + amortization of goodwill

Operating Results 10-year Summary by Segment

Sales [unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	26,704	33,687	50,138	44,056	49,486	51,025	56,100	56,167	52,870	53,679
Ad-related	20,579	21,163	21,412	21,593	21,006	21,231	21,618	21,278	21,485	21,806
Information and services	3,312	3,749	4,464	4,546	5,087	4,893	5,053	5,041	5,557	5,292
Sales of goods	2,813	8,774	24,262	17,915	23,392	24,899	29,429	29,847	25,827	26,579
Lifestyle-related	3,470	3,837	3,541	3,393	3,466	4,236	4,370	4,335	4,168	3,914
Real Estate	166	163	167	164	162	187	213	195	160	157
Other Business	240	597	913	988	1,182	1,268	1,426	1,553	1,928	2,345
Total	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income [unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	7,272	5,916	6,217	5,624	5,277	3,939	4,933	5,758	6,582	7,036
Lifestyle-related	228	131	248	338	307	478	370	249	169	273
Real Estate	83	85	69	96	109	147	170	193	135	140
Other Business	(149)	(323)	(140)	(94)	(66)	(136)	(71)	57	58	130
Management Division	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)	(1,693)	(1,809)	(1,639)
Total	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941

Future Outlook

The IR information in this document includes a future outlook.

Such information other than the past events may be influenced by the risk and uncertainty due to the competition, market, and systems in the field of our company's business. As a result, the outlook based on the assumption and estimation with available information may be different from actual results and performance in the future. We would appreciate your understanding.

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